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PM - RICHMOND

2021564667

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T. ASKEW

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2021564668

CONTENTS

REGIONAL HIGHLIGHTS

HQ STAFF DEPARTMENTS

MANUFACTURING CENTERS

RESERARCH & DEVELOPMENT

LEAF

OPERATIONS SERVICES

PRODUCT SERVICES & MATERIALS MANAGEMENT

PM-BELGIUM

PM-GERMANY

PM-HOLLAND

INTERTABA

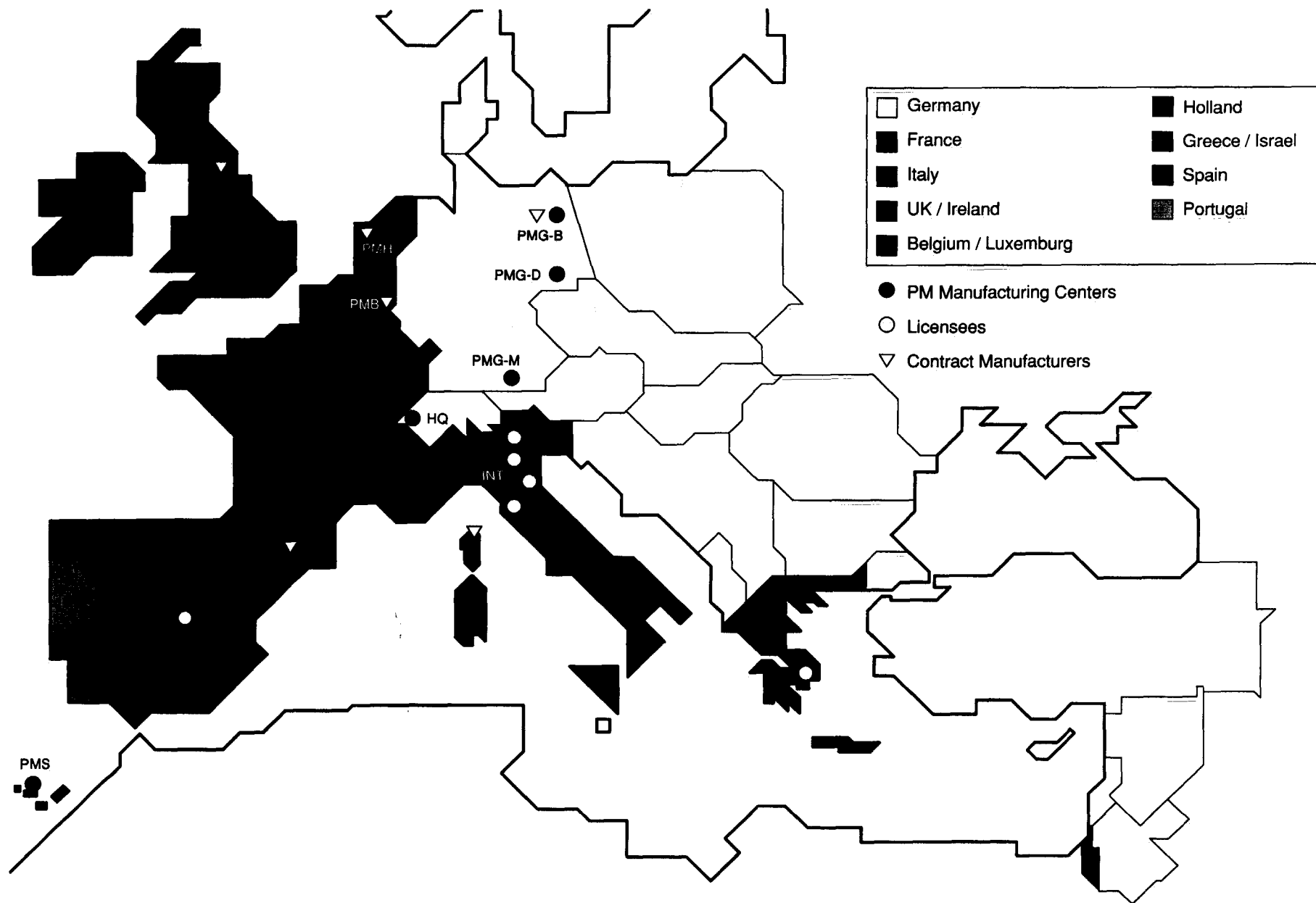
PM-SPAIN

PURCHASING

LOGISTICS

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* PM EEC factories

- General** : Production for the month was 11,2 bio cigarettes against shipments of 10,4 bio. Consequently the stocks increased to 9,3 bio.
- Berlin** : Capacity expansion project update: KDF-III group has been delivered, 10 KV electrical main installed, and control panel for central palletizing extension commissioned. All 16 AP packers have been converted to 17's format for upcoming price change.
- Munich** : 6 weeks ETNA plant TUV inspection has been completed. Freestanding HLP simplex for 25's is now in production.
- Vezifa** : Prototype Karo plain for revised tar ceiling has been approved by Panel A (blend modification only). Confirmation tests are scheduled for mid December. Project Maria equipment is installed and production test has commenced.
- BOZ** : Daily production rate is being increased in line with volume forecast and will average 225 mio per day in 1992 against 200 mio in 1991.
- Ixelles** : Highest monthly volume ever manufactured by the Ixelles factory (720 mio).
- Santa Cruz** : Considerable tow waste improvements were achieved due to the change to Courtaulds supply.
- Intertaba** : Project Carbo had to be postponed to January 1992 due to lack of materials from Eastman.

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* Licensee/Contract Manufacture

Italy : The overall September/October production (1.938 bio) is 6.6% lower than planned (2.075 bio). Presentations of the new visual Quality Audit with MTI management in Firenze and middle management in Bologna.

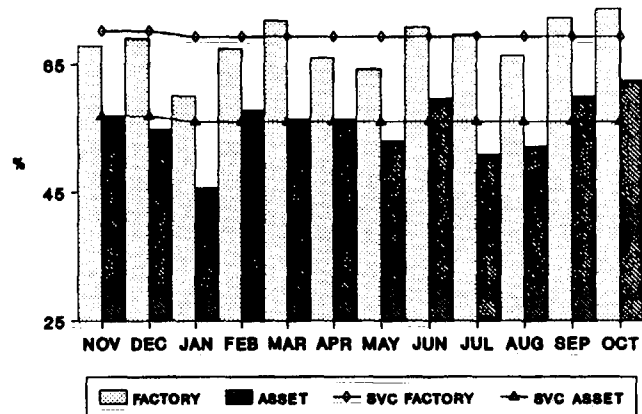
Greece : Papastratos management visited BOZ and Brussels factories to study concept and cut filler transport system in view of their intention to build a complete new primary outside of their present site.

* Direct Materials : 220 board printed at Rentsch is undergoing production trials in Berlin. Roots equipment was tested in PMES and performed reasonably well. It is likely to be installed in FTR for the production of 40 mio for the French market.

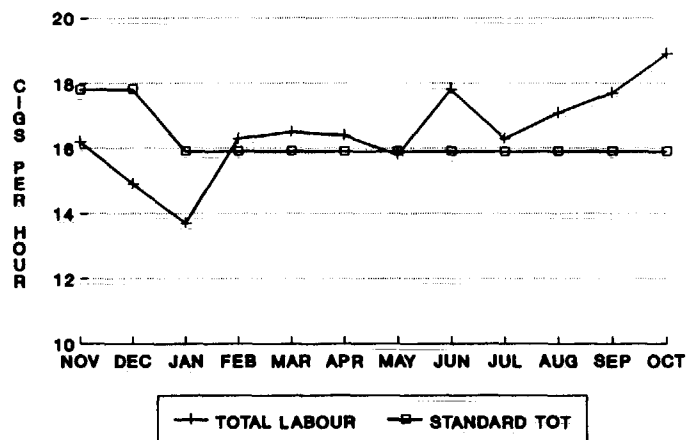
* Leaf : US Fluecured purchases completed.
Zimbabwe Fluecured market closed with positive results overall. Due to the high prices paid to the farmers a greater crop is expected for 1992.
Packing trials are underway with US FC+BU crops for new cardboard cases to meet the environmental regulations on re-use and recycling of packing material.

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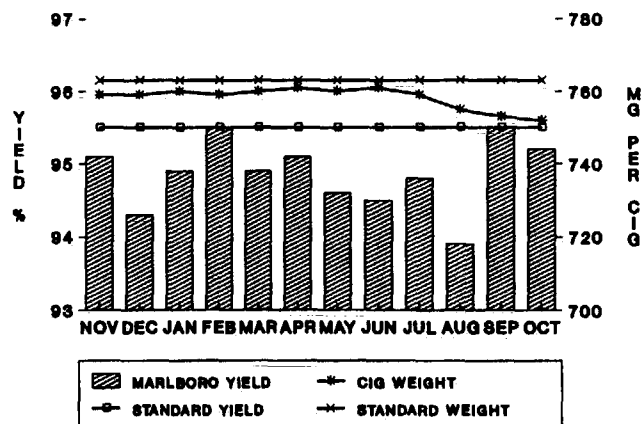
COMPOSITE UTILISATION



PRODUCTIVITY

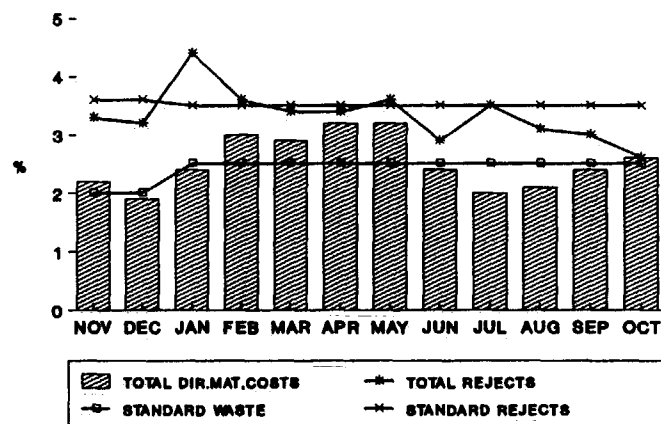


TOBACCO USAGE



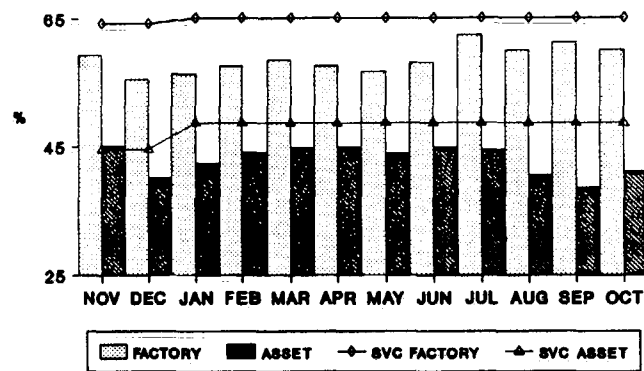
IXELLES

WASTAGE/REJECTS

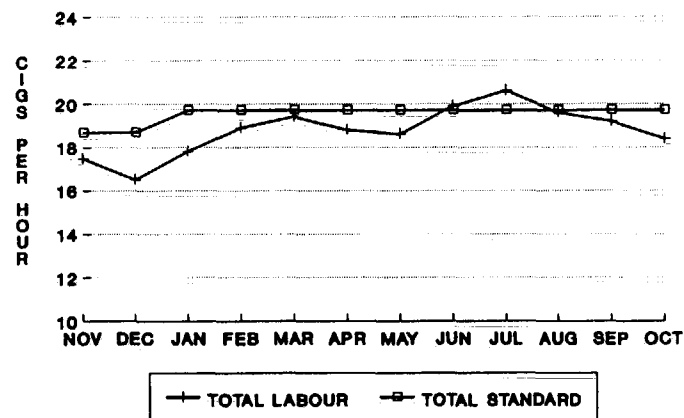


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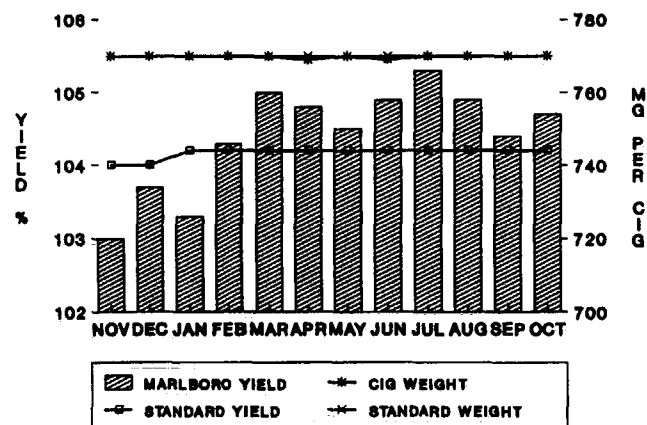
COMPOSITE UTILISATION



PRODUCTIVITY

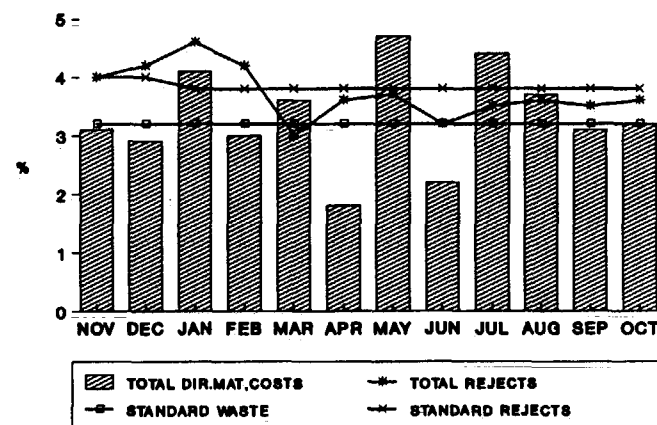


TOBACCO USAGE



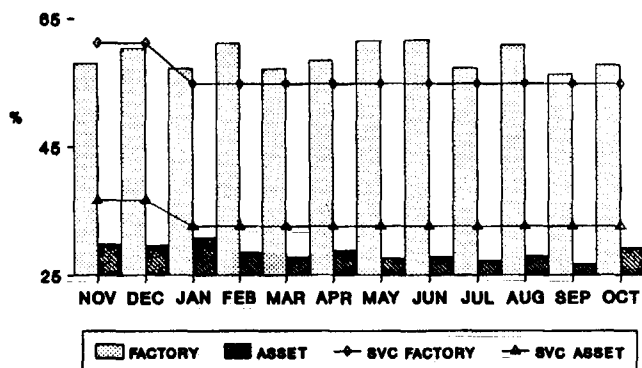
BERLIN

WASTAGE/REJECTS

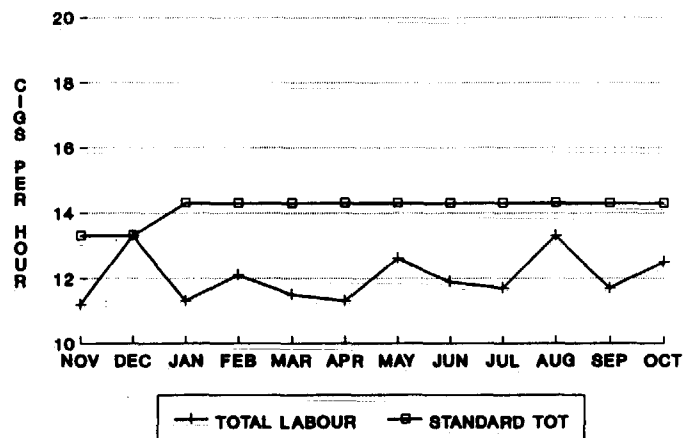


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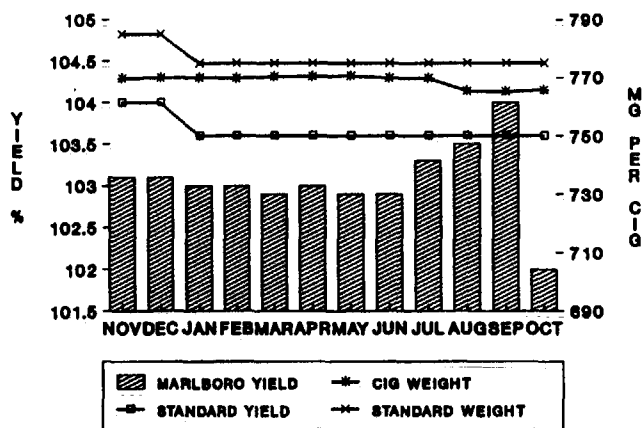
COMPOSITE UTILISATION



PRODUCTIVITY

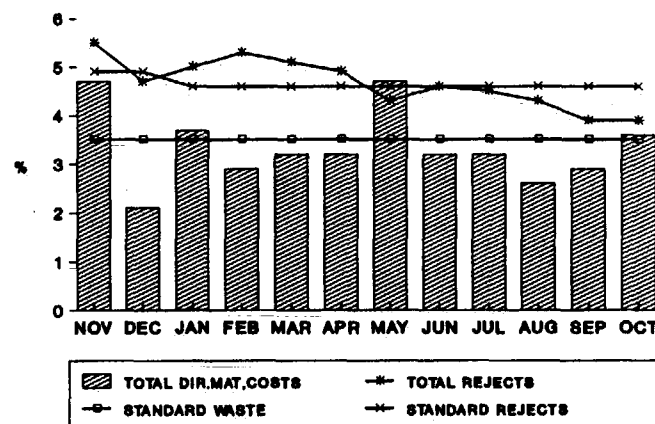


TOBACCO USAGE



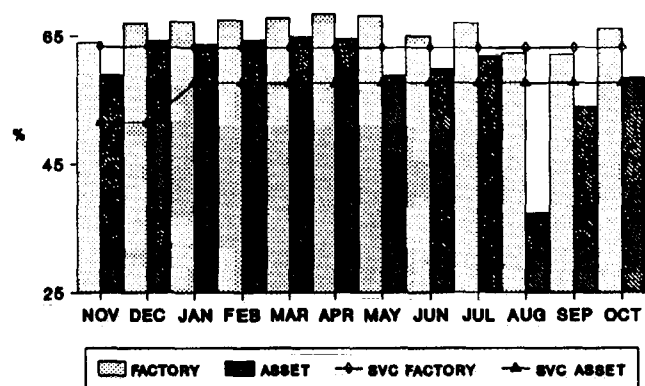
MUNICH

WASTAGE/REJECTS

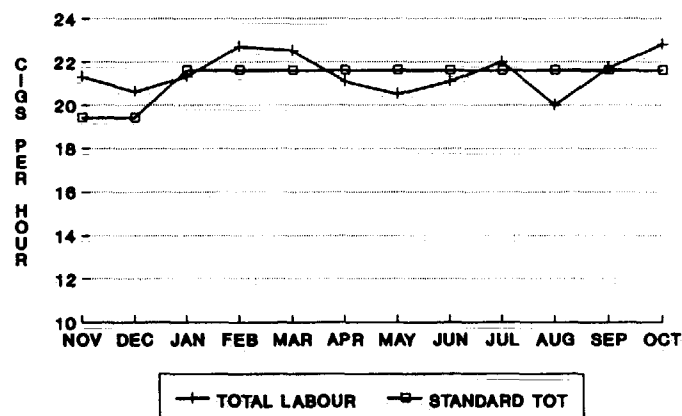


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COMPOSITE UTILISATION

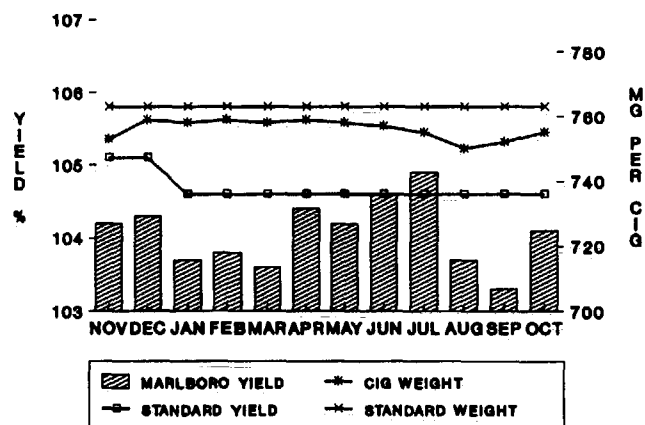


PRODUCTIVITY

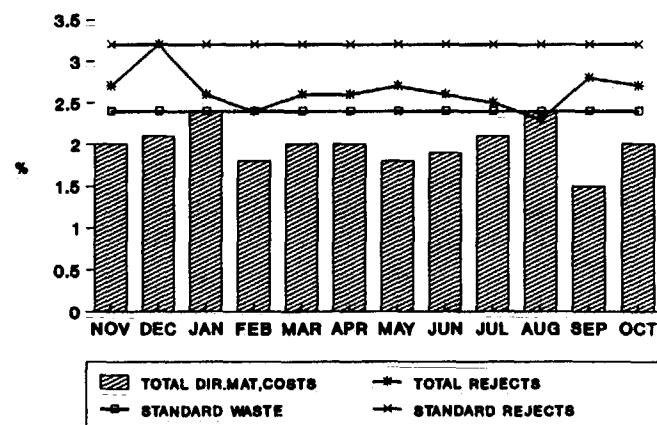


BERGEN op ZOOM

TOBACCO USAGE

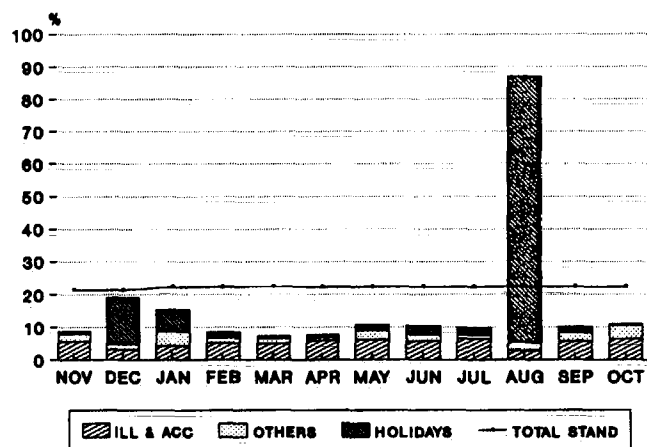


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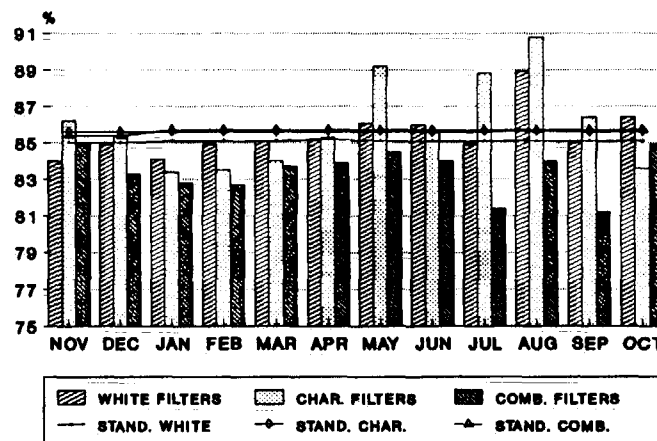


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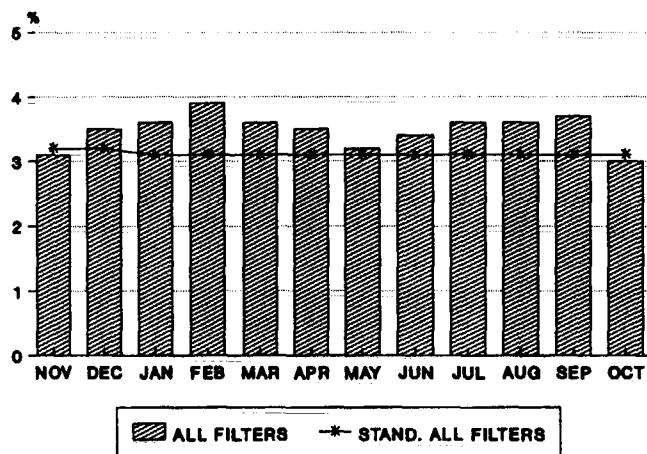
ABSENTEEISM



EFFICIENCY

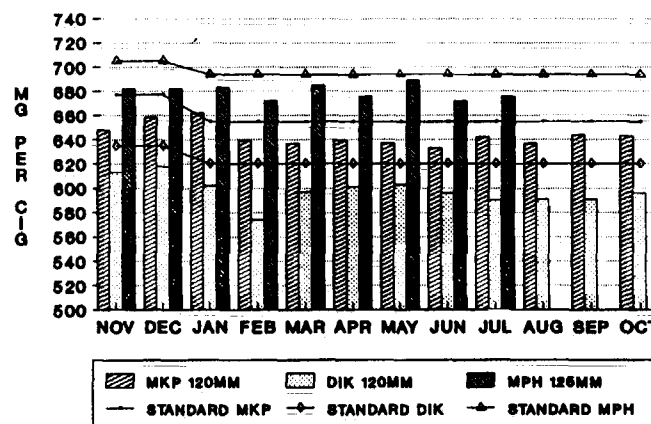


WASTAGE



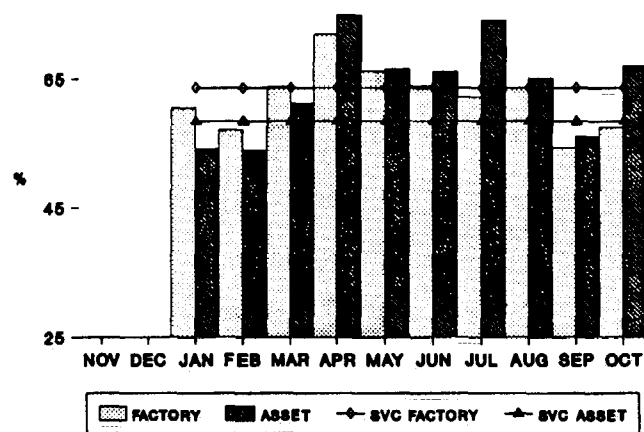
INTERTABA

FILTER TOW WEIGHT

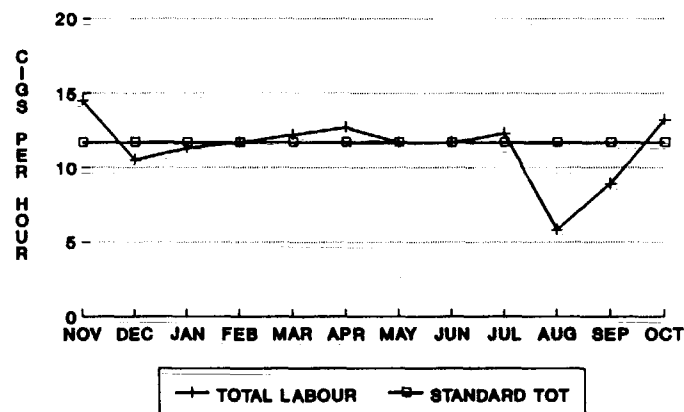


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COMPOSITE UTILISATION

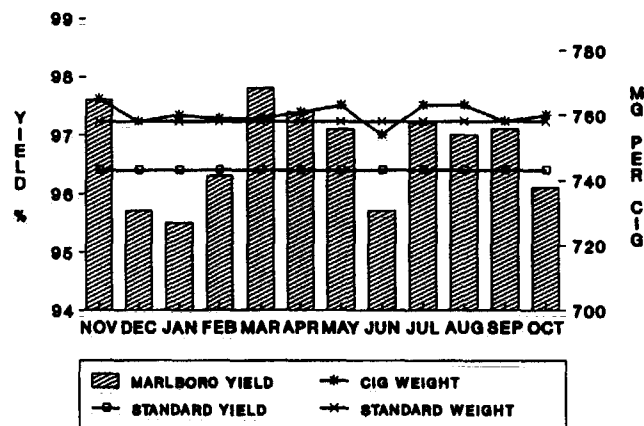


PRODUCTIVITY

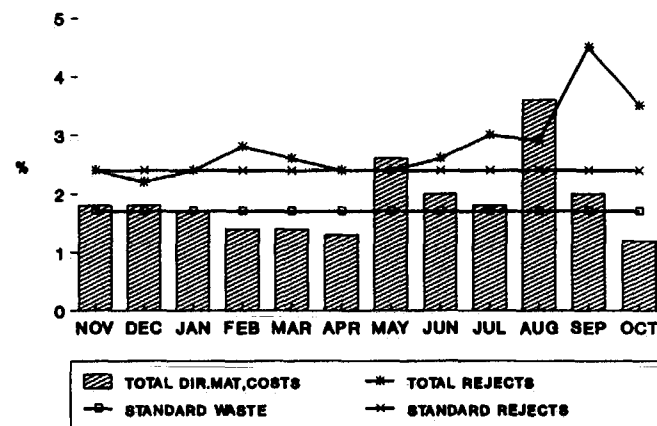


SANTA CRUZ

TOBACCO USAGE

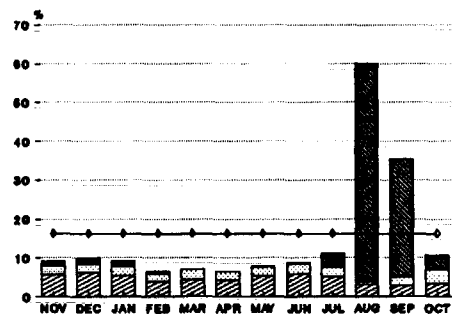


WASTAGE/REJECTS

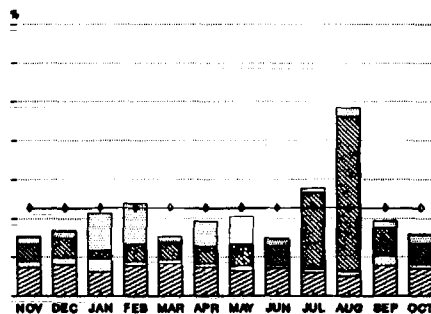


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SANTA CRUZ

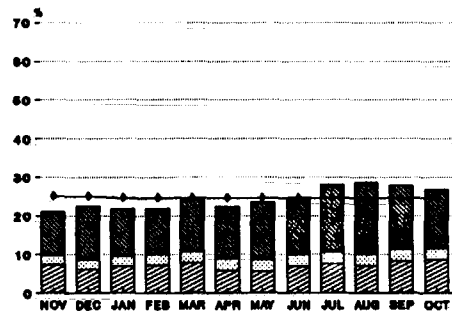


BERGEN OP ZOOM

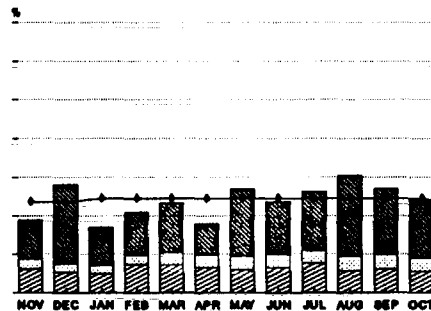


ABSENTEEISM

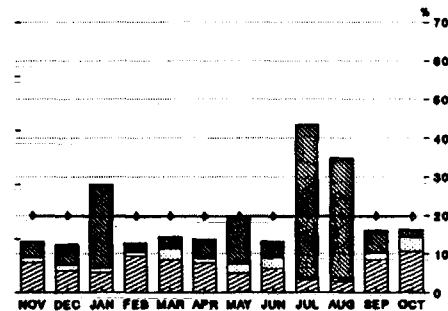
BERLIN



MUNICH



IXELLES



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HQ. STAFF DEPARTMENTS

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OPERATIONS SERVICES

**PRODUCTION PLANNING
LICENSE & CONTRACT MANUFACTURE**

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PRODUCTION PLANNING

ACTUAL OCTOBER 1991
(in mio cig.)

	<u>PRODUCTION</u>	<u>SHIPMENT/SALES</u>	<u>STOCK</u>
BERLIN	3255.7	3486.7	3330.2
MUNICH	1288.0	1106.3	1286.6
DRESDEN	1075.2	1168.5	778.7
BERGEN OP ZOOM	4854.0	4086.2	3279.3
IXELLES	722.4	582.7	682.9
TOTAL PM EEC	11195.3	10430.4	9357.7

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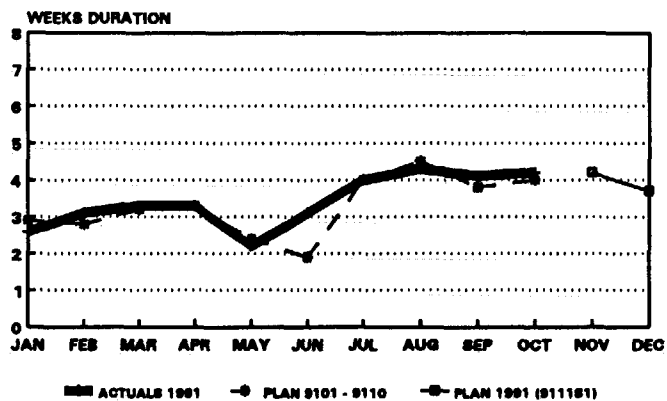
PRODPLAN OCTOBER 1991 – SEPTEMBER 1992

(in bio cig.)

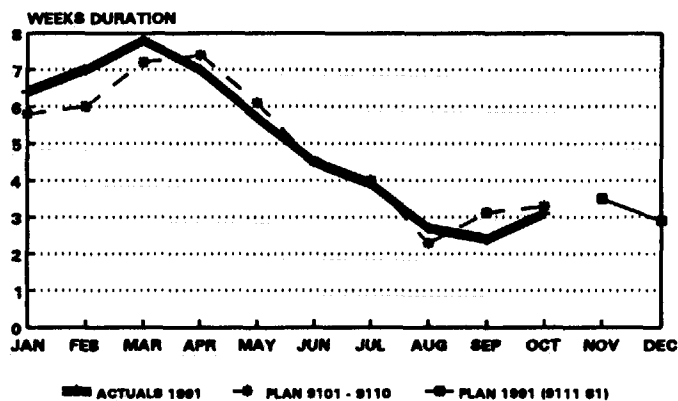
	<u>PRODUCTION</u>	<u>SHIPMENT/SALES</u>	<u>DIFF</u>
BERLIN	41.58	42.17	(0.59)
MUNICH	13.68	13.68	0.00
DRESDEN	9.26	9.71	(0.45)
BERGEN OP ZOOM	51.82	50.18	1.64
IXELLES	6.24	6.62	(0.38)
SANTA CRUZ	10.53	10.65	(0.12)
TOTAL PM EEC	133.11	133.01	0.10
TOTAL LICENSEES	24.24	25.28	(1.04)
TOTAL CONTRACT	4.97	4.95	0.02
TOTAL FTR/PMI	6.75	6.51	0.24
GRAND TOTAL	169.07	169.75	(0.68)

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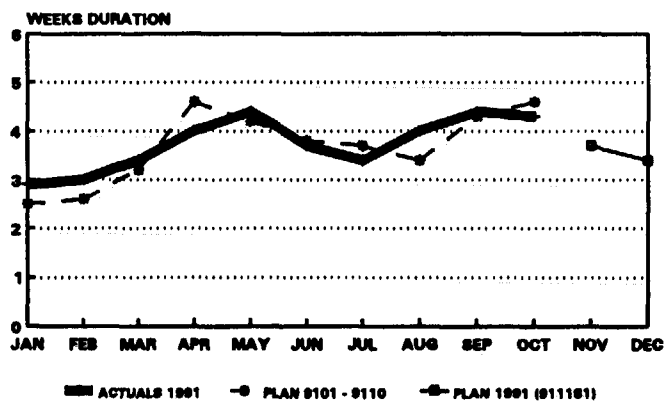
**BERLIN STOCK
EVOLUTION 1991**



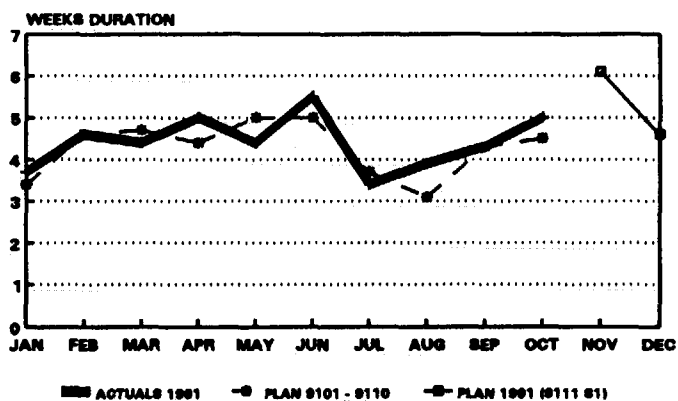
**BOZ STOCK
EVOLUTION 1991**



**MUNICH STOCK
EVOLUTION 1991**



**IXELLES STOCK
EVOLUTION 1991**



EEC FACTORIES STOCK EVOLUTION (WEEKS)

2021564685

LICENSE & CONTRACT MANUFACTURE

2021564686

I T A L Y

- Production : The overall September / October production (1.938 bio) is 6.6 % lower than planned (2.075 bio).
- Quality : The following actions were taken during the period in order to introduce the new PME Visual Quality Audit in MTI factories :
- Presentation to MTI Management (Rome + factories) : meeting in Firenze on Sept. 26.
 - Presentation to factories' middle management : meeting in Bologna on Oct. 28.
 - Seminar to train "trainers" on new VQA for Bologna, Firenze, Lucca, Modena, Verona and Rovereto factories : Bologna Oct. 28-31, 1991.
- Diet Bologna : Training of technicians from Bologna is going on : Ing. Vitale, Plant Engineer, spent one week in PM Munich and one week in BoZ.
- M.T. Bologna : The results of MLB Contract Manufacture simulation are being evaluated.
- Labelling : Blanks and labels printed by ATICARTA with technical assistance of PM Packaging Engineering. Quality and timely supplies.

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Fiscal Stickers: A PM delegation visited the paper mill in Foggia where Poligrafico produces paper for fiscal stickers.

Objective : to set up a paper specification to meet PM requirements.

ATICARTA : The Aticarta Pompei factory was audited by a PM delegation.

Objective : up-grade Pompei factory so that the alu foil, produced and used in our licence, and (in future) contract manufacture brands, meet PM quality requirements.

Packing Specs : Up-dated and new format Manufacturing Specifications have been prepared and mailed to MTI.

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ITALY LICENSEE - PRODUCTION - 1991 - OCTOBER

PRODUCTION CENTER	BRAND	O.V.F. 1991 [MIO CIGS]	M O N T H			Y T D			LATEST PLAN 1991 [MIO CIGS]
			CURRENT YEAR [MIO CIGS]	CURRENT YEAR LAST YEAR [-]	LAST YEAR [MIO CIGS]	CURRENT YEAR [MIO CIGS]	CURRENT YEAR LAST YEAR [-]	LAST YEAR [MIO CIGS]	
ROVERETO	MURATTI AMB. BOX (MAJ) MURATTI AMB. SOFT (MAK) DIANA BOX (DIB) DIANA SOFT (DIK) TOTAL	1820 300 0 0 2120	209 30 12 10 260		206 56 60 49 371	1632 286 12 73 2003		1503 322 670 266 2760	1800 320 0 0 2120
VERONA	DIANA BOX (DIB) DIANA SOFT (DIK) DIANA SM BOX (DIR) DIANA SM SOFT (DIS) TOTAL	1450 2600 0 0 4050	74 112 58 0 245		97 181 15 18 312	797 1433 384 0 2614		423 1830 501 118 2873	1380 2500 0 0 3880
MODENA	DIANA BOX (DIB) DIANA SOFT (DIK) DIANA SM BOX (DIR) DIANA SM SOFT (DIS) MARLBORO BOX (MLB) TOTAL	0 0 700 750 0 1450	0 69 0 42 0 112		0 9 22 44 0 75	0 222 189 551 93 1056		0 9 22 56 0 87	0 0 720 650 0 1370
BOLOGNA	MARLBORO BOX (MLB) MARLBORO SOFT (MLK) DIANA SM SOFT (DIS) TOTAL	2570 630 0 3200	312 76 0 387		300 83 0 383	2833 544 0 3376		1566 600 350 2516	2100 700 0 2800
LUCCA	MARLBORO BOX (MLB)	0	0		157	49		256	0
FLORENCE	MERCEDES SOFT (MEB)	83	0		0	94		81	100
TOTAL		10903	1004	0.77	1298	9191	1.07	8573	10270

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GREECE

- In view of Papastratos' intention to build a complete new Primary outside the present site, the General Manager accompanied by the Factory Manager and the Chief Engineer paid a visit to BoZ and Brussels in order to gather information re our transport system for cut filler and to discuss the conception of the Dutch Primary.
- With the objective of bringing the physical parameters of Marlboro and Marlboro Lights closer to the target values, prototypes with various non-tobacco materials were produced and submitted to the Laboratory for analytical purposes and to Panel A for smoke evaluation.
- Within the scope of the standardisation program for closing tapes of shipping cases, Papastratos started using tapes according to the proposals made by the Packaging Services.
- For reasons of flexibility Papastratos installed a new filter rod shooter (Filtromat S) and is now equipped with four of these devices.

2021564690

GREECE, LICENSEE PRODUCTION OCTOBER 1991

PRODUCTION CENTER	BRAND	O V F 1991 (mio.cig)	M O N T H			Y. T. D.			LATEST PLAN 1991 (mio.cig)
			CURR. YEAR (mio.cig)	CURR. YEAR	LAST YEAR (mio.cig)	CURR. YEAR (mio.cig)	CURR. YEAR	LAST YEAR (mio.cig)	
				LAST YEAR			LAST YEAR		
PAPASTRATOS	MARLBORO KS	3,773	308.0	0.89	346.6	3,231.3	1.04	3,107.3	3,782
	MARLBORO 100'S	34	2.8	0.45	6.2	23.8	0.71	33.3	36
	MARLBORO LIGHTS	393	35.6	0.81	44.1	348.0	1.02	341.1	412
TOTAL GREECE		4,200	346.4	0.87	396.9	3,603.1	1.03	3,481.7	4,230

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PRODUCT SERVICES & MATERIALS MANAGEMENT

**PACKAGING SERVICES
PACKAGING ENGINEERING
MATERIALS PURCHASING**

2021564692

PACKAGING SERVICES - HIGHLIGHTS OCTOBER 1991

Development and provision of printed packaging materials in support of the following activities:

Project	Market	Source	Short Description and Status
MHC-AP BOX	Germany	Munich	Change of MARLBORO 100's AP 17s from Soft Pack to Box. General pack presentation of Soft 17cig content did not satisfy; also vending machine handling problems required modification. First production started end October; switch in market to happen during November.
MALA Box 100	Germany/East	VeZiFa	Change of F6 100's from Soft Pack to Box. First production to start early November; launch and switch-over in market also during November.
MALA 9 RSP MALA 9 Box 100	Germany/East	VeZiFa	Strategic preparation for a F9 80 mm RSP and F9 100's, Box, to counter potential legal actions. All materials of both brands with changed logos prepared and printing cylinders ordered to allow short termed supply on request. Stand-by position as of end October.
MALA 10s	Germany/East	VeZiFa	Development of a F6 KS, Box 10s version. Pack design concluded and mock-up presented. Decision on launch pending.
ASPEN	Austria/EEMA	Munich	Introduction of PM ULTRA LIGHTS KS, Box. Materials preparation and supply arranged for a October production start. Market-caused delays keep tax sticker supply and actual production still pending.
DUTCH FT-C	Netherlands	BoZ VeZiFa	Promotion action of MARLBORO KS, Box, offered in a 10pack Flip Top-Carton. Originally planned for December launch; after two starting attempts now delayed into Jan/Feb 1992. Materials available; factory on stand-by.

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PICTURE PHS	France	BoZ	Introduction of new visual on bundle of PM SUPER LIGHTS 100's, Box. First production with new material foreseen to start during November; appearance in market probably during December.
RATTLER	Israel	BoZ	Introduction of MARLBORO KS, Soft. To supplement available Box product. Production will start during first half November; first shipment to arrive beginning December.
ARTEMIS	Greece	Munich	Development of PM ULTRA LIGHTS KS, Box. Pack and bundle development for mock-up presentation to CPC and market concluded. Decision on planned March launch is pending.
500s MLX-DF	Duty Free	BoZ	Introduction of a discounted 500cig unit (2x 200s + 100s DC) of MARLBORO LIGHTS KS, Box. The new 100cig single DC unit, as well as the repacked 500cig Multi Bundle unit will be available per December.
100s MLX-IT/DF	IT/Duty Free	Munich	
500s MLX-IT/DF		BoZ	

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PACKAGING ENGINEERING

SPECIFICATIONS

Color Standards were established for PMB Filter Kings in gravure as well as for PM Lights Extra, both for HL blanks.

Technical Drawings were established for : HL blank and inner frame for a 23's pack for Germany; HL 100's pack with self-locking inner flap for EEMA; and Jumbo Flip Top drawing modification for machine filling.

BOARD

ICT 220 printed at Rentsch Berlin is undergoing continuous testing on X2 machinery at PMG Berlin. For these qualification runs, the new TD 4073-7 which represents the future standardized version, will also be tested.

The lightweight board concept including the ICT 220, ECT 220 and Westvaco 0.012" (221 g) was presented and discussed with PMG and PMH.

Presentations were given to ATI and MTI in order to inform on PM's intention to switch from the Iggesund 240 g to the 220 g quality for brands produced in Italy. Printing and converting trials at Aticarta are planned for end December.

PAPER

Technical data sheets were established for the newly qualified Niklakett T 100 g for soft labels.

Data sheets for the new OBA-free bundle paper type Serena Gloss T 90 g to be used at MTI were established and distributed.

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PRINTING

Together with R&D, the status on residual printing solvents in HL blanks and soft labels from all our printers was established. The survey revealed that most materials are within the established maximum solvent level specifications. However, some materials had a too high amount of ethoxypropanol which must be followed up.

Scratch cards foreseen for a Duty Free promotion are subject of indepth analysis with respect to odor-release and potential cigarette tainting.

In order to increase brilliance of gold-printed elements on HL packs, the PMS family has finally passed the qualification of printing the gold on top of the varnish instead of vice versa.

SUPPLIER AUDIT

Supplier audit was made at Aticarta Pompeii for alu foil in view of the contract manufacturing with MTI. Prior to this audit, a "dry-run" was performed at AIV Holland.

ROOTS

Together with FTR engineers, a visit was paid to PMES in order to commission the ROOTS packaging line. The group performed reasonably and the FTR engineers in their visit report, recommended installing the Roots line in FTR to produce the forecasted 40 mio cigs for the French product test.

PRESENTATIONS / INFORMATION

A presentation of our Product Services & Materials Management Department was given to the KGF-Jacobs Suchard worldwide packaging team.

Michael Satsamaz, new Product Manager Greece, was given a briefing of our organization.

2021564696

PACKAGING & ENVIRONMENT

A first meeting on status and where to go in the field of **environment-related issues** took place in Brussels with representatives from PMI (CA), PM EEC and EEMA (Operations/CA/Legal) as well as colleagues from KGF International and KGF-Jacobs Suchard Europe (Operations/CA/Legal).

The Fraunhofer Institute, Munich (FhG) as well as Schweizerisches Verpackungsinstitut (SVI) organized symposiums with the objective of demonstrating limits of current existing **ecobalances** comparing different types of packaging materials to each other, and the resulting difficulties to establish a "cradle-to-grave" life cycle.

A 2-day symposium was organized by the Granit Group entitled "Lausanne: the international cross-road for packaging".

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UNPRINTED MATERIALS

Polypropylene Film

- . A price reduction of 3% has been negotiated with Hoechst; furthermore, if PM-USA and PME are reaching together 5000 tons we will receive an annual rebate of 3%, corresponding to an annual saving of USD 590'000.- (for both together).
Validity of new agreement : 01.01.92 - 31.12.92 (perhaps this may change due to unforeseen circumstances)
- . Courtaulds-Films could also be convinced to reduce current valid price by 3%.
Validity : 01.01.91 - 30.06.91

Licorice

No agreement could so far be reached with Mafco concerning 1992 prices; negotiation will be concluded as soon as the purchasing plan figures and the F+CH's price conditions for 1992 are known.

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PRINTED MATERIALS

Hinge Lids

As a result of the negotiation with Rentsch, we agreed upon one price for all our affiliates for the HL-MLB printed in his Berlin factory; new price DM 27.30 / 1000 HL ex works by orders of 15 mio.

	<u>Valid Price</u>	<u>New price as of 01.11.91</u>	<u>Difference per 1000 HL</u>	<u>Approx. qty Nov/Dec 91</u>	<u>Financial impact in 1991 approx.</u>
PMG - Berlin	DM 27.94	DM 27.30	DM -.64	55 mio	DM 35'200.-
PMG - Munchen	DM 27.44	DM 27.30	DM -.14		
PMH	DM 27.37	DM 27.30	DM -.07	67 mio	DM 46'900.-
PMB	DM 27.37	DM 27.30	DM -.07		

DM 39'890.-

Financial impact November/December 1991

USD 23'744.-

corresponding to an annual price reduction of around USD 130'000.-.

Bundle Paper

Various discussions were held with Schroeder & Wagner to decrease his price for the MLB-Picture Bundles which are delivered to PMG-Berlin. First, S&W reduced his price by 4.4% per reel a 1500 meters e.g. from old price DM 259.- to new price DM 248.-; Then, due to a 2.4% price decrease of the KNP's paper, a new price of DM 242.05 per reel has been set as of 01.11.91.

Price difference per reel	:	DM 11.- (DM 259.- to DM 248.-)		
Approx. requirement for Nov/Dec 1991	:	1450 reels a DM 11.-	=	DM 15'950.-
Financial impact for Nov/Dec 1991	:		=	USD 9'494.-

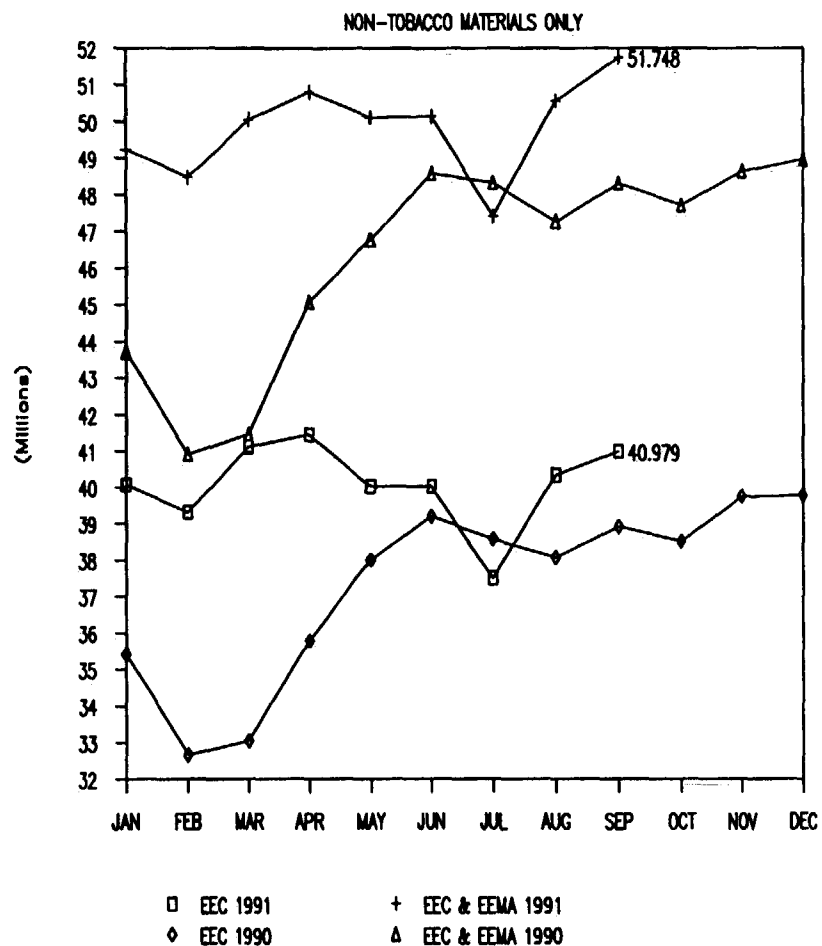
corresponding to an annual price reduction of USD 60'000.-.

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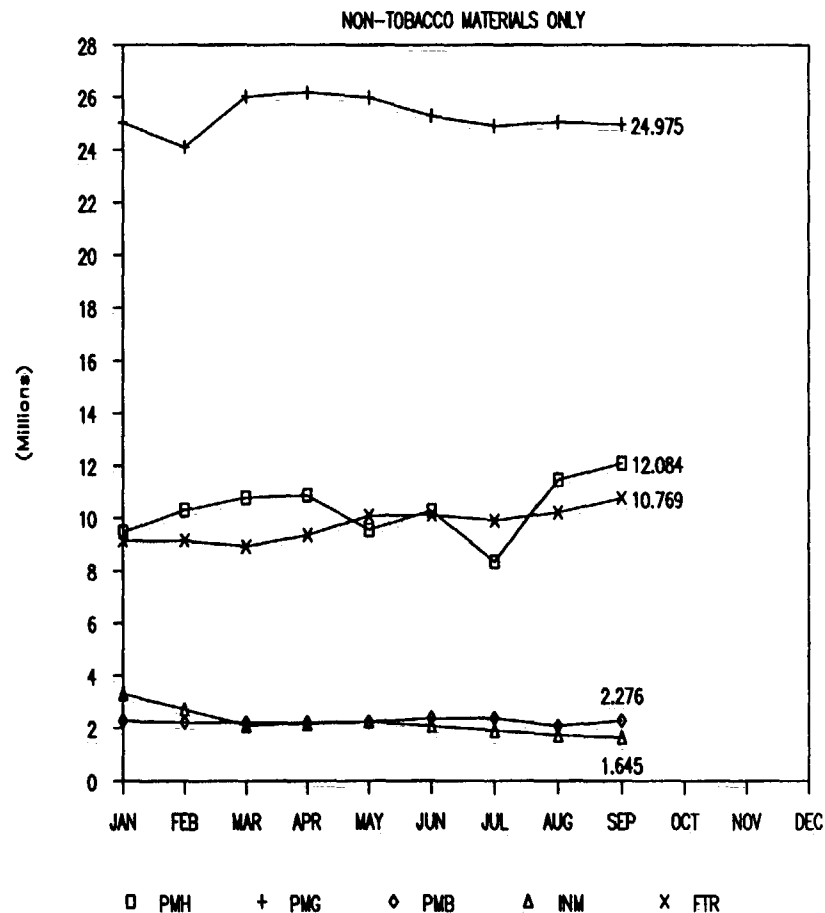
1991 OCTOBER PRICE SITUATION OF NON-TOBACCO MATERIALS (based on purchasing currencies)														ANNUAL IMPACT				EXPLANATORY NOTES: -----
(a)	\$-%	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR TO DATE (b)	(c)	PLANNED (d)	FOR SVC (e)	
BLANKS	33.1%			2.7%	0.2%			1.5%						3.2%	1.05%	2.8%	0.93%	(a): SPLIT OF ITEM FAMILIES IN PERCENTAGE OF TOTAL VALUE.
TOW	22.0%	1.3%					0.8%							1.7%	0.37%	4.0%	0.88%	
TIPPING	8.7%	-0.3%							0.2%					-0.3%	-0.02%	2.0%	0.17%	
ALU-FOIL	7.2%	0.4%						0.5%						0.6%	0.04%	3.5%	0.25%	(b): ANNUAL IMPACT OF AGREED CHANGES, PER ITEM FAMILY.
CIG. PAPER	6.3%	-0.1%						-0.3%						-0.3%	-0.02%	2.5%	0.16%	
BUNDLE	5.0%	0.5%						1.6%						1.3%	0.07%	1.6%	0.08%	
O.P.P.	3.4%	3.4%			1.1%		-0.5%	-0.9%						3.5%	0.12%	3.5%	0.12%	(c): ANNUAL WEIGHTED IMPACT OF AGREED CHANGES.
PLUG WRAP	2.6%	-0.2%												-0.2%	-0.01%	1.4%	0.04%	
LICORICE	2.4%								1.6%					0.7%	0.02%	5.0%	0.12%	
DISPLAY	2.7%	1.7%	0.2%		0.1%			0.2%	-0.9%	-0.1%				1.7%	0.05%	2.2%	0.11%	(d): ESTIMATED FOR FINAL SVC 1991. (based on last year's October prices).
IN. FRAME	2.1%				2.3%			-0.6%			2.2%			1.9%	0.04%	4.0%	0.03%	
LABELS	1.2%	0.6%						1.1%						1.2%	0.01%	1.6%	0.03%	
TRIACETIN	1.0%	-0.5%						-2.2%						-1.5%	-0.01%	5.0%	0.05%	(e): WEIGHTED ESTIMATES FOR FINAL SVC 1991.
CHARCOAL	0.7%															4.0%	0.03%	
FILTERS	0.7%	0.8%							1.0%					1.2%	0.01%	4.0%	0.03%	
T. TAPE	0.6%	1.5%												1.5%	0.01%	3.0%	0.02%	
COCHISE	0.3%	4.8%												4.8%	0.01%	4.5%	0.01%	
MONTHLY WEIGHTING (average)		0.5%	0.0%	0.9%	0.1%		0.1%	0.5%	0.0%	0.0%	0.0%			YEARLY WEIGHTED AVERAGE / YEAR TO DATE: 1.74%				
YEARLY WEIGHTED AVERAGE AS PLANNED FOR SVCs: 3.04%																		

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STOCK EVOLUTION in US DOLLARS



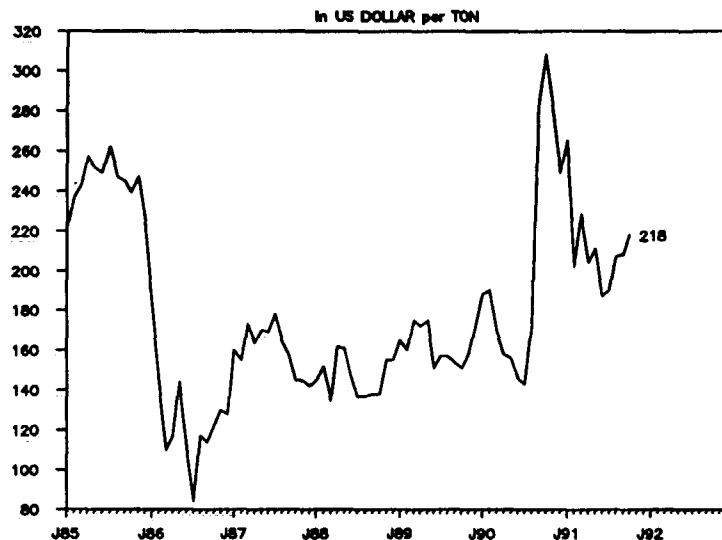
STOCK EVOLUTION in US DOLLARS



Currencies are converted to USD at PME final SVC exchange rates.

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NAPHTHA - EUROPEAN MARKET



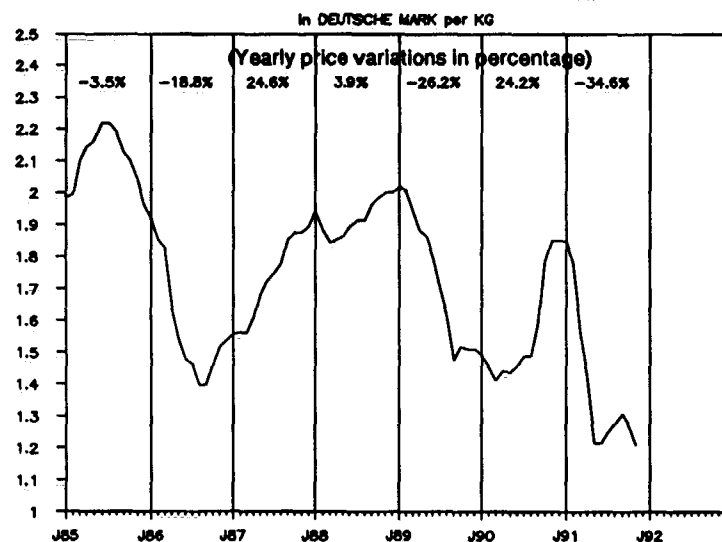
POLYPROPYLENE RESINS

Polypropylene prices continued to fall in October and November. Homopolymer was successively reduced to DM 1.15 and 1.10 per kg (-8.4%) and copolymer fell to DM 1.55 and 1.45 per kg (-12%). Since the beginning of 1989, the polypropylene market is no longer linked to its main raw material price evolution (naphtha), but is impaired by numerous capacity extensions and grass root projects which maintain prices at low levels (the end-1990 rise being related to the Gulf war).

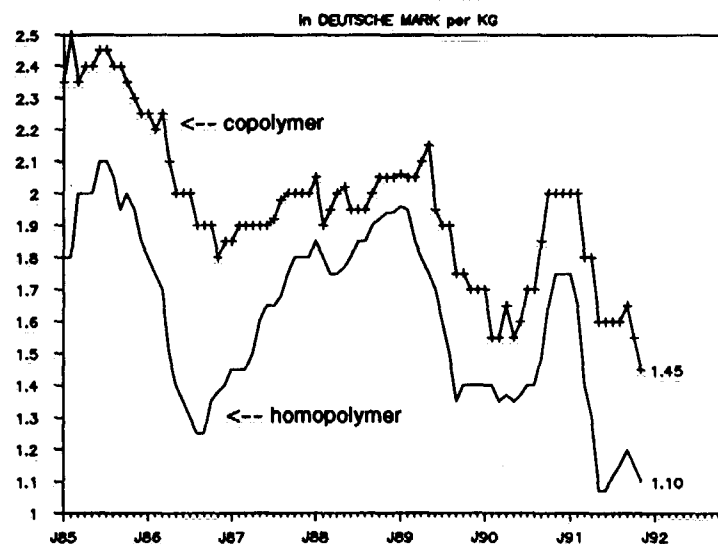
This over supply situation is not yet resolved as underlined by the unsuccessful attempt by Himont to rise its third quarter contract prices (see Highlights July).

Nevertheless, demand is still reported to be strong, averaging 6 to 7% per annum in Europe, and analysts foresee renewed upward price pressures for the second half of 1992.

85% HOMOPOLYMERS + 15% COPOLYMERS



POLYPROPYLENE RESINS



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PM - BELGIUM

**IXELLES
FOREST**

2021564704

IXELLES

<u>PRODUCTION</u>	:	Month level was 719,6 mio v/s 681,7 mio in master plan. YTD production was 5.630,4 mio v/s 5.563.4 mio in master plan. Average daily rate was 31,29 mio.	<u>Actual YTD</u>
<u>EFFICIENCIES</u>	:	Cigarettes making : 76,90% v/s objective 75,70% Cigarettes paking : 68,20% v/s objective 71,00% Link up Focke : 83,20% v/s objective 78,00% Link up HLP (Park) : 75,10% v/s objective 80,20% Filter making : 88,60% v/s objective 87,40% Composite mach. eff. : 77,02% v/s objective 76,14% Composite fact. util. : 73,68% v/s objective 69,37% Composite asset util. : 62,64% v/s objective 56,05%	72,40% 68,70% 76,50% 68,90% 85,20% 72,73% 68,15% 55,51%
<u>YIELD</u>	:	- ML017 Manufacturing yield was 95.18% v/s objective 95,50% - ML055 Manufacturing yield was 94,24% v/s objective 95,50% - MA019 Manufacturing yield was 93,88% v/s objective 93,80%	94,93% 94,29% 93,72%
<u>REMARKS</u>	:	- MLB15 (standard) Cigarettes tobacco weight was 752,42 mg Cigarettes firmness at 12,50% O.v. was 2,83 mm - MLB25 (U.K.) Cigarettes tobacco weight was 752,62 mg Cigarettes firmness at 12,50% O.v. was 2,78 mm - MAC Cigarettes tobacco weight was 652,53 mg Cigarettes firmness at 12,0% O.v. was 2,75mm - Record of production on October 23rd with 37,8 mio cigarettes - Highest monthly volume ever manufactured by the Ixelles factory (720 mio) - Excellent productivity for the month 28.937 cig/man-hour against 23.619 cig/man hour in standard.	

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PMB IXELLES KEY PERFORMANCE INDICES OCTOBER 1991

CURRENT YEAR 1991

LAST YEAR

		UNITS	STAND	YTD	JAN	FEB	MAR	AVR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Prod. Vol.:	OVF - PLAN/SVC	[mio dg]	6420.0	5564.0	638.0	543.0	586.0	615.0	548.0	587.0	255.0	494.0	616.0	682.0	625.0	270.0	
	Actual	[mio dg]		5630.4	599.1	563.0	579.4	590.8	500.9	598.4	377.6	479.4	622.3	719.6	596.0	250.0	6381.0
	Link-up	[%]	57.0	58.0	55.0	58.0	61.0	53.0	60.0	58.0	55.0	51.0	59.0	57.0	58.0	62.0	49.0
Export:	Cat Filter																
	LS/B.T.	[ton]															
	Others	[mio rod]		160.5	45.0	14.0	13.0	12.0	16.0	14.0	10.0	9.0	13.0	14.5	14.0	6.0	155.0
	Filters (JUB-CC-REU)		94.0	86.0	12.0	10.0	11.0	14.0	5.0	13.0	3.0	3.0	11.0	4.0	14.0	6.0	97.0
Import:	Cat Filter		5230.0	4614.0	517.0	463.0	461.0	482.0	423.0	481.0	330.0	373.0	499.0	585.0	502.0	205.0	5235.0
	LS/B.T.	[ton]															
	Others	[mio rod]															
	Filters																
Working Days		[day]	234.0	205.0	27.0	20.0	21.0	21.0	19.0	20.0	15.0	18.0	21.0	23.0	23.0	10.0	235.0
Overtime				5.5			0.2	0.6	0.7	0.7	0.5	1.2	1.0	0.7			
Production Rate (Average)		[mio.dg [mio.C/D.]	27.4	26.7	22.2	28.1	27.3	27.3	25.4	28.9	24.4	25.0	28.3	30.4	25.9	25.0	27.2
Personnel:	SVC / w.o. Cas		178.0	168.5	170.0	170.0	169.0	169.0	169.0	168.0	168.0	169.0	167.0	166.0	164.0	164.0	157.0
	FME / w.o. Cas		92.0	88.5	87.4	87.4	87.4	88.4	86.9	88.4	89.4	89.4	90.4	90.4	86.9	86.9	85.0
	Casuals	[pers]		10.0	9.3	12.6	6.4	9.1	11.5	9.5	10.6	13.6	8.7	4.5	10.4	10.2	5.5
	SVC + FME + Cas		270.0	267.1	266.7	270.0	262.8	266.5	267.4	265.9	268.0	272.0	266.1	260.9	261.3	261.1	247.5
Productivity:	SVC	[1000c.]	23.6	25.4	21.3	25.3	25.6	25.2	23.8	27.0	25.2	26.0	26.7	28.9	23.9	23.1	27.4
	SVC + FME	[man-h]	15.9	16.6	13.7	16.3	16.5	16.4	15.8	17.8	16.3	17.1	17.7	18.9	16.2	14.9	17.5
Absenteeism: (SVC)	Ill & Acc.		4.5	6.6	5.2	9.5	8.4	7.7	4.9	6.2	3.3	2.8	8.4	10.6	7.8	5.7	5.0
	Vacation	[%]	13.5	13.5	21.8	2.3	3.2	5.0	12.0	4.4	39.7	31.1	6.0	2.1	4.2	5.3	12.6
	Others		1.6	1.6	1.1	1.0	2.8	1.1	2.5	2.6	0.5	0.8	1.6	3.6	1.2	1.5	1.7
	Total		19.6	21.7	28.1	12.8	14.4	13.8	19.4	13.2	43.5	34.7	16.0	16.3	13.2	12.5	19.3

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LAST YEAR

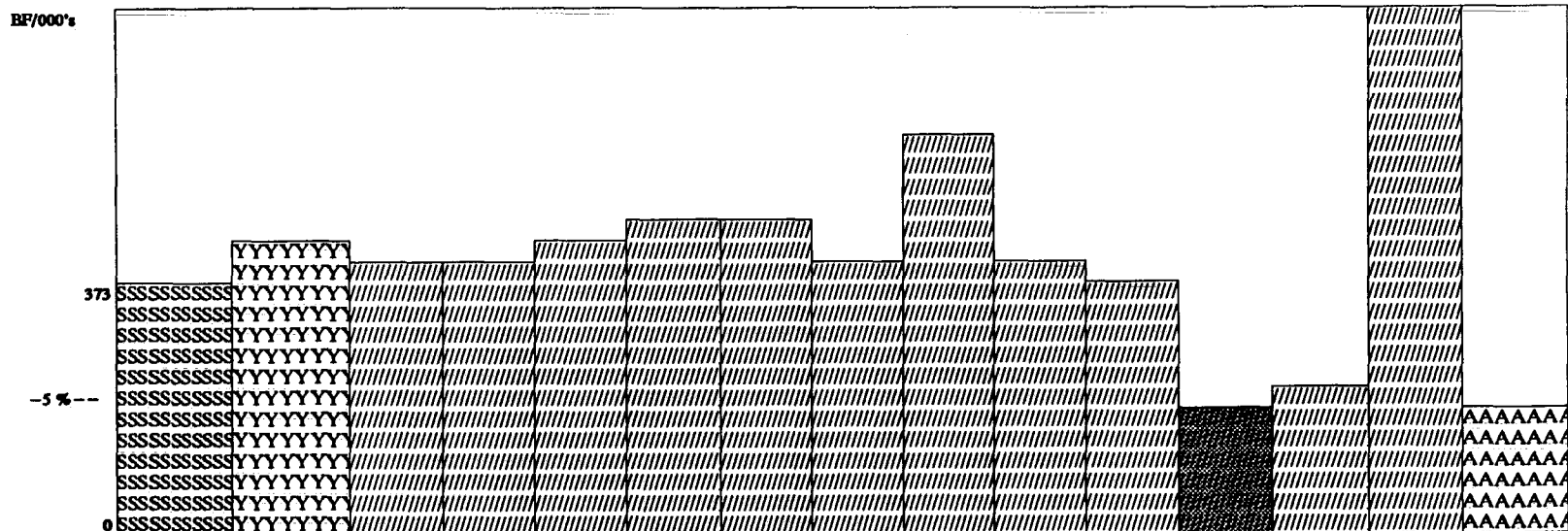
CURRENT YEAR 1991

MB IXELLES

	UNITS	STAND	YTD	JAN	FEB	MAR	AVR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Incidence :																
Filter Making		87.4	85.2	80.3	83.6	83.5	85.1	89.6	87.0	86.5	84.1	85.7	85.6	79.2	82.7	84.3
Making PS		75.7	72.4	71.4	70.4	72.0	74.1	66.4	73.4	71.3	72.3	74.1	76.9	72.5	76.5	76.6
Packing PS	(%)	71.0	68.7	68.6	63.7	70.6	71.2	67.9	73.3	70.1	63.7	69.3	68.2	72.4	70.7	72.7
Link-up (Packer)		78.0	76.5	70.3	76.2	80.4	73.0	70.4	79.1	78.8	73.8	79.6	83.2	70.0	72.1	78.2
Link-up (RLP Part)		80.2	68.9	47.1	75.2	76.1	75.2	70.1	64.2	59.9	71.2	70.9	75.1	72.8	74.4	60.6
Utilisation :																
Filter Making		82.3	80.5	75.6	78.9	78.3	80.5	84.4	82.4	82.1	79.2	80.8	85.1			78.4
Asset		60.3	59.4	49.3	59.3	60.1	61.9	57.0	68.7	49.9	61.3	62.2	64.8			52.8
Factory		69.4	68.2	60.1	67.5	71.8	66.0	64.3	70.8	69.7	66.4	72.3	73.7	67.9	69.1	70.6
Asset		56.1	55.5	45.7	57.9	56.4	56.4	53.0	59.7	50.9	52.2	60.0	62.6	57.0	54.9	60.6
Secondary yield :																
ML 017	(%)	95.50	94.9	94.9	95.5	94.9	95.1	94.6	94.5	94.8	93.9	95.5	95.2	95.1	94.3	95.2
ML 055		95.50	94.3	92.5	93.1	93.8	93.6	94.3	94.8	95.7	94.8	95.2	94.2	94.0	94.0	95.4
MA 019		93.80	93.7	93.9	93.7	93.6	93.7	94.0	93.1	93.7	93.1	93.8	93.9	90.0	92.0	89.7
Weight at make :																
MLB 15 (4mm)		763	758	760	760	760	761	760	761	759	755	753	752	759	759	761
MLB 25 (4mm)		763	758	760	760	759	761	760	761	758	754	753	753	759	761	760
MAC 15 (4mm)		655	657	656	661	657	657	656	657	655	655	655	657	654		654
Filter loss weight :																
MLB 126	[mg/dg]	705	688	696	687	697	696	688	685	683	678	685	686	714	705	710
Storage :																
Total DIM (Cost)		2.4	2.6	2.4	3.0	2.9	3.2	3.2	2.4	2.0	2.1	2.4	2.6	2.2	1.9	1.9
Tow la filter making		3.3	3.4	2.4	4.0	3.0	4.0	3.3	4.1	4.1	1.5	3.5	3.7	1.9	2.3	1.9
Cig. la mak/packing	(%)	3.5	3.3	4.4	3.6	3.4	3.5	3.6	2.9	3.5	3.1	3.0	2.6	3.3	3.2	3.2
Tobacco																

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COST PER 1000 versus RF91



PMB IXELLES

CURRENT YEAR 1991

LAST YEAR

	UNITS	STAND	YTD	JAN	FEB	MAR	AVR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Production Volume	[Mo.c/gp]	6.42	5.63	0.60	0.56	0.58	0.59	0.50	0.60	0.38	0.48	0.62	0.72	0.60	0.25	6.38
Working Days + Overtime	[days]	234.0	210.5	27.0	20.0	21.2	21.6	19.7	20.7	15.5	19.2	22.0	23.7	23.0	10.0	235.0
Production Rate	[mo.c/day]	27.4	26.7	22.2	28.1	27.3	27.3	25.4	28.9	24.4	25.0	28.3	30.4	25.9	25.0	27.2
Leaf		188.0	189.0	191.0	191.0	191.0	189.0	190.0	191.0	189.0	189.0	186.0	187.0	177.0	201.0	184.0
Direct Materials	[BF/000]	96.0	97.0	96.0	98.0	97.0	103.0	93.0	91.0	86.0	93.0	104.0	97.0	95.0	79.0	82.0
Conversion Cost	[C/gp]	43.0	39.0	43.0	39.0	37.0	40.0	46.0	37.0	45.0	43.0	36.0	34.0	41.0	63.0	35.0
Total Variable	[BF/000]	327.0	325.0	330.0	328.0	325.0	332.0	329.0	319.0	320.0	325.0	326.0	318.0	313.0	343.0	301.0
FME	[C/gp]	46.0	50.0	44.0	48.0	52.0	49.0	53.0	55.0	73.0	51.0	47.0	35.0	43.0	69.0	49.0
Cost of Goods Manufacture	[BF/000]	373.0	375.0	374.0	376.0	377.0	381.0	382.0	374.0	393.0	376.0	373.0	353.0	356.0	412.0	350.0

2021564708

FOREST

PRODUCTION

- a) RYO-MYO
67,96 tons for the month v/s 67,47 tons in master plan.
- Marlboro MYO : 13,24 tons in 40 g. pouches
 23,97 tons in 100 g. tins
 14,45 tons in 200 g. tins
- Marlboro MYO YTD : 136,24 tons in 40 g. pouches
 143,06 tons in 100 g. tins
 144,94 tons in 200 g. tins
- b) KARO
76,79 tons cut filler processed v/s 63,55 tons in master plan.
YTD production was 595,53 tons v/s 522,24 tons in master plan.

EFFICIENCIES

		<u>Actual YTD</u>
Packing 35g-40g-50g pouches :	83,26% v/s objective 83,87%	81,28%
100g-200g tins :	101,80% v/s objective 93,31%	95,12%
Pouches making :	95,19% v/s objective 94,50%	95,51%

YIELD

Factory Yield (excluding receiving yield)		
For Domestic :	105,77% v/s objective 104,70%	104,93%
For Marlboro MYO :	114,03% v/s objective 111,20%	112,73%
For KARO :	100,99% v/s objective 98,0%	100,72%

REMARKS

Good productivity for the month.
22,783 kilos/man-hour against 18,108 kilos/man-hour.

6045951202

PM - GERMANY

**BERLIN
MUNICH
VEZIFA**

2021564710

BERLIN FACTORY

Production

- Total cigarette production volume for the month amounted to 3.255,7 mio. cigarettes, which was 223,9 mio. below the production plan.
- Average daily production volume for the month amounted to 162,8 mio. units, including a daily high of 183,3 mio.

Projects

- Capacity expansion project developments include :
 - . KDF-III group has been delivered.
 - . 10 KV electrical main installed.
 - . Control panel for central palletizing extension commissioned.
 - . Sprinkler central has been installed.
- Testing of the Protos 120/MAX S (12,000 cpm) is continuing. Experiencing synchronization problems between SE/MAX-F and tipping device.
- All 16 AP packers have been converted to 17's format for upcoming price change.
- Test with 1.6mm tear tape started.

2021564711

PM GERMANY BERLIN KEY PERFORMANCE INDICES OCTOBER 1991

CURRENT YEAR 1991

LAST YEAR

	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Prod. Vol. : OVF-PLAN/SVC	[mio dg]	42,030.0	35,666.0	3,446.0	3,446.0	3,446.0	3,618.0	3,101.0	3,618.0	3,963.0	3,791.0	3,791.0	3,446.0	3,507.0	2,870.0	38,582.0
Actual	[mio dg]		36,162.0	3,299.0	3,626.0	3,618.0	3,786.0	3,162.0	3,901.0	4,220.0	3,666.0	3,628.0	3,256.0	3,759.0	2,638.0	40,343.0
Link-up	[%]		24.0	23.0	21.7	24.0	22.3	23.5	22.0	23.0	22.0	23.2	25.4	23.0	25.6	23.1
Exports : Cut Filter		283.0	29.1	2.9	13.0	2.2	2.7	0.2	0.8	2.3	1.0		4.0	4.6	1.0	192.7
I.S.	[ton]															1.3
E.T.		408.0	132.8	14.9	10.2	16.0	35.3	16.3	10.1	10.0	4.8	5.2	10.0	14.3	10.1	190.1
Others																
Filters	[mio.rod]		20.6							0.5	11.7		8.4	0.3		9.6
Imports : Cut Filter		150.0	219.8	74.3	11.4	17.0	11.4	10.9	36.5	12.4	27.3	18.5	0.2	16.8	10.5	1,086.0
I.S.	[ton]															
E.T.			5.5				5.5						10.2			129.0
Others			30.5							10.2	10.1					
Filters	[mio.rod]	42.0	28.2	7.1		6.9	7.1				7.1					98.4
Working Days		244.0	207.0	20.0	20.0	20.0	21.0	18.0	21.0	23.0	22.0	22.0	20.0	22.0	17.0	241.0
Overtime	[day]															3.3
Production Rate (Average)	[mio.C/D.]	172.3	174.7	164.8	181.3	180.9	180.3	175.7	185.8	183.5	166.6	164.9	162.8	170.9	155.2	165.3
Personnel : SVC / w.o. Cas		1,174.0	1205.0	1184.7	1,192.1	1,203.0	1,208.1	1,208.3	1,208.4	1,216.6	1,213.8	1,210.0	1,205.4	1,194.0	1,192.7	1,156.8
FME / w.o. Cas		266.0	256.7	250.3	249.6	250.5	254.2	256.7	256.3	254.9	257.3	267.0	270.0	255.4	252.8	248.6
Casuals	[pers]	14.0	95.1	88.6	109.7	114.0	104.0	106.3	109.0	110.6	82.4	70.0	57.7	77.9	90.8	114.5
Tot. Maint BER		1,454.0	1,556.8	1,523.6	1,551.4	1,567.4	1,566.3	1,571.2	1,573.7	1,582.1	1,553.5	1,547.0	1,533.1	1,527.3	1,536.3	1,519.8
Apport. CFME		68.1	61.3	54.9	57.8	60.0	60.5	59.6	65.0	64.8	64.3	63.7	62.3	63.4	60.4	60.8
Total ind. CFME		1,522.1	1,618.1	1,578.5	1,609.2	1,627.4	1,626.8	1,630.8	1,638.7	1,646.9	1,617.8	1,610.7	1,595.4	1,590.6	1,596.7	1,580.7
Productivity : SVC + Cas	[,000 C./]	26.1	23.9	22.3	23.6	23.9	23.6	23.1	24.9	25.5	24.5	24.4	23.0	21.8	21.1	21.9
SVC + FME + Cas	[pres.hrs.]	19.7	19.1	17.8	18.9	19.4	18.8	18.6	19.9	20.6	19.6	19.2	18.4	17.5	16.5	17.6
Absenteeism : (SVC)																
Ill. & Acc.		6.3	7.3	6.9	7.2	7.8	5.9	5.5	6.9	7.5	7.1	8.3	8.7	7.3	6.1	6.8
Vacation	[%]	16.0	15.2	12.3	11.9	13.5	13.5	14.9	14.9	17.6	18.5	16.6	15.3	11.3	14.0	13.6
Other		2.3	2.9	2.5	2.8	2.8	3.0	3.1	3.0	3.0	3.0	3.0	2.9	2.4	2.4	2.3
Total		24.6	25.4	21.7	21.9	24.1	22.4	23.5	24.8	28.1	28.6	27.9	27.0	20.9	22.4	22.7

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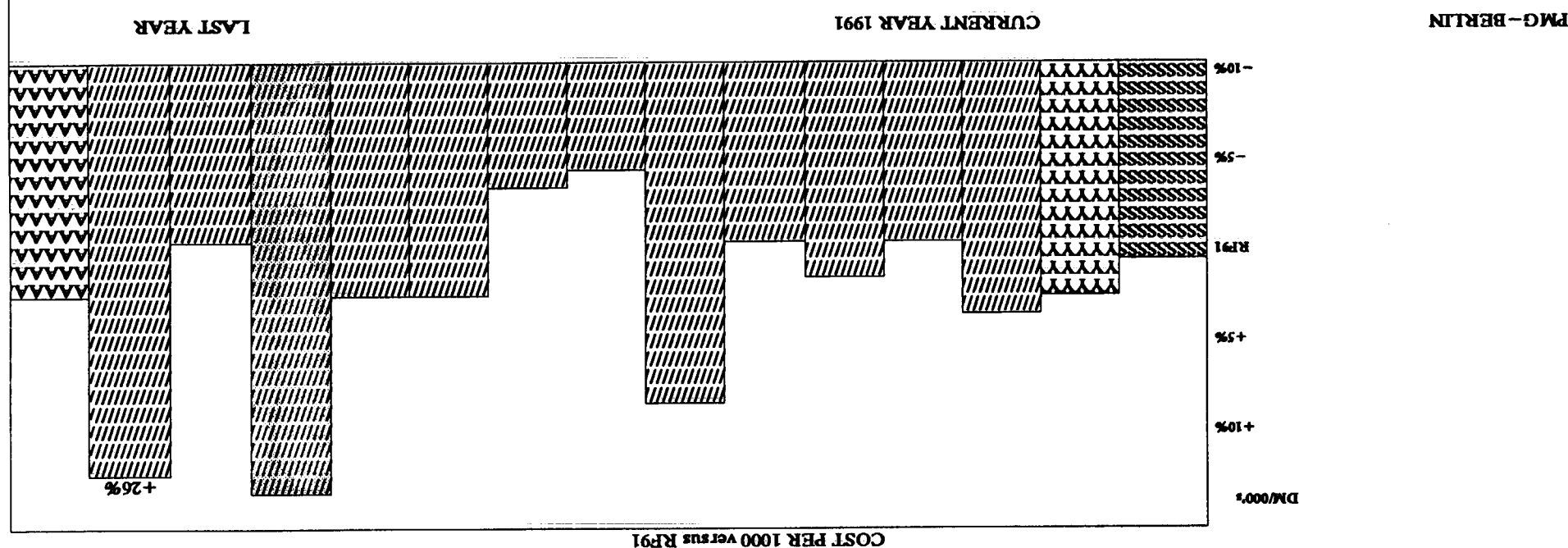
	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Efficiency:																
Filter Making		84.4	83.7	83.9	83.7	85.0	83.5	82.2	80.1	84.0	85.2	84.8	85.7	82.1	81.9	81.8
Making FS		75.2	69.2	66.1	69.9	69.9	70.9	67.6	67.8	71.5	69.3	70.8	71.8	68.8	67.9	71.7
Packing FS		69.9	66.7	68.9	66.0	66.6	63.3	65.9	66.3	69.3	66.9	67.3	66.2	70.6	66.6	66.2
Link-up	[%]	72.0	70.0	67.3	70.7	66.0	68.2	69.0	72.1	72.4	67.5	74.1	72.5	70.1	70.1	70.0
Utilization:																
Filter making		75.6	80.0	75.5	81.4	80.3	78.9	76.9	78.7	81.4	83.5	82.4	83.3	75.7	73.1	75.6
Factory		63.3	62.5	59.3	64.7	63.9	63.5	62.9	68.5	64.7	58.9	57.8	57.5	60.3	54.7	57.7
Asset		65.2	58.9	56.4	57.7	58.6	57.7	56.8	58.1	62.5	60.0	61.3	60.1	59.3	55.5	58.3
Makel/pack		48.7	43.0	42.4	44.1	44.8	44.9	43.9	44.9	44.6	40.6	38.6	41.1	45.1	40.1	42.6
Asset																
Factory Yield:																
ML 039		104.2	104.7	103.3	104.3	105.0	104.8	104.5	104.9	105.3	104.9	104.4	104.7	103.0	103.7	104.0
LM 009		103.3	104.3	102.9	104.3	105.3	102.8	104.7	105.5	107.1	104.7	103.2	102.8	99.7	102.2	102.8
ML 063		103.6	102.3	101.8						102.2	102.8	101.7	104.2		102.9	102.4
PM 036		103.6	105.1	102.4	105.9	106.2	106.6	102.0	105.9	105.1	107.3	108.6	103.9	104.6	104.3	104.0
Weight at make:																
MLK	[mg]	770	770	770	770	770	769	770	769	770	770	770	770	770	770	770
LMK	[cg]	735	734	736	736	733	733	734	733	734	735	735	734	735	734	734
PR/MLK		770	767	768	768					770	765	765	764		769	769
PMT		660	651	656	651	651	651	648	649	650	651	652	648	661	659	660
Flt. low weight:																
MLB		638	664	671	666	666	666	659	655	658	668	668	667	666	670	662
LMK		640	649	647	641	645	645	633	643	641	640	637	639	643	635	642
PR/MLB		670	681	682						680	674	688	688		677	673
PMT		620	623	629	625	624	624	617	621	623	626	624	617	624	621	620
Wastage:																
Total DIM Waste Rep.		3.2	3.4	4.1	3.0	3.6	1.8	4.7	2.2	4.4	3.7	3.1	3.2	3.1	2.9	3.1
Tow in Filter Making		2.7	2.2	0.5	3.9	0.1	2.5	2.6	3.5	2.7	5.3	0.4	1.2	2.6	1.6	2.7
Cig-in Making		2.0	2.3	2.4	2.5	2.4	2.3	2.4	2.2	2.3	2.2	2.2	2.2	2.4	2.5	2.3
Cig-in Packing		1.8	1.4	2.0	2.0	0.6	1.3	1.3	1.0	1.2	1.4	1.3	1.4	1.6	1.7	1.7
Tobacco		4.9	4.4	4.8	4.5	4.4	4.6	4.5	4.6	4.4	4.3	4.1	4.5	5.1	5.0	4.9

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	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Production Volume	[mct/yr]	42,030.0	36,162.0	37,299.0	36,260.0	36,180.0	37,786.0	39,162.0	39,901.0	42,280.0	36,660.0	36,280.0	37,256.0	37,759.0	26,538.0	40,343.0
Working Days+Overtime	[days]	244.0	207.0	20.0	20.0	20.0	21.0	18.0	21.0	25.0	22.0	22.0	20.0	22.0	17.0	244.0
Production Rate	[mct/day]	172.5	174.7	164.7	181.3	180.9	175.7	185.8	183.5	166.6	164.9	162.8	170.9	155.2	165.3	
Leak		6.78	6.79	7.07	6.81	6.71	6.73	6.81	6.72	6.74	6.69	6.81	6.81	6.94	6.76	7.14
Direct Materials	[DM/.000]	4.52	4.45	4.40	4.40	4.40	4.41	4.54	4.43	4.55	4.51	4.54	4.54	4.51	4.22	4.34
Conversion Cost	[Cgr.]	2.27	2.51	2.43	2.30	2.39	2.50	2.63	2.43	2.41	2.70	2.59	2.74	2.62	3.10	2.40
Total Variable	[DM/.000]	13.57	13.75	13.90	13.51	13.50	13.64	13.98	13.58	13.70	13.90	13.74	14.19	13.86	14.08	13.88
PMR (incl.CPMB) *	[Cgr.]	2.89	2.97	3.01	2.83	3.07	2.63	3.84	2.12	2.18	2.86	3.32	4.37	2.50	6.62	2.84
Cost of Goods Manufactured	[DM/.000]	16.46	16.72	16.91	16.34	16.57	16.27	17.82	15.70	15.88	16.76	17.06	18.56	16.36	20.70	16.72

* CPMB portion Berlin (%) 60.8 60.9 59.3 60.5 62.2 61.5 59.6 63.4 62.6 61.5 60.1 58.0 75.0 70.6 73.1



MUNICH FACTORY

Production

- Total manufactured cigarette volume for the month amounted to 1.286,7 mio. cigarettes, which was 11,6 mio. above planned production of 1.275,1 mio.
- Average daily production volume for the month amounted to 61,3 mio. units, including a daily high of 70,3 mio.

Projects

- A MK9/MAX-S was converted to 27mm filter length and is in operation for PMA 180-Italy production.
- Concrete works for second sprinkler basin is complete.
- 6 weeks ETNA plant TUV inspection has been completed.
- Sound protection for workshop is completed.
- A freestanding HLP simplex for 25's is now in production.

2021564715

PM - GERMANY / MUNICH KEY PERFORMANCE INDICES OCTOBER 1991

LAST YEAR

CURRENT YEAR 1991

	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Prod. Vol.: OVR-PLAN/SVC	[mio d]	16,970.9	14,924.5	1,414.2	1,414.2	1,414.2	1,484.9	1,272.8	1,343.5	1,526.3	1,414.2	1,484.9	1,555.6	1,227.2	1,043.2	14,788.2
Actual	[mio d]		12,357.9	1,229.0	1,278.6	1,168.5	1,298.8	1,164.8	1,149.3	1,318.5	1,211.1	1,252.8	1,286.7	1,250.1	1,100.7	14,841.8
Link-up	[%]	80.5	82.4	79.7	82.0	81.9	81.5	83.5	81.5	82.3	82.6	81.6	84.8	76.2	77.2	69.2
Exports :																
Cat Filler	[ton]	92.0	288.8	3.0	27.8	28.4	23.8	24.8	31.6	31.3	43.0	25.0	50.1	10.9	5.3	88.0
I.S.																
E.T.		1,448.0	1331.4	88.1	152.0	190.8	146.1	147.9	102.8	225.0	115.6	63.4	99.8	83.1	140.9	1491.8
Others																
Riters	[mio.rod]	124.2	21.0	20.6	7.0	2.2	1.4	10.5	10.5	21.7	5.5	12.0	15.3	19.3	5.3	33.1
Imports :																
Cat Filler	[ton]	14.1	2.9	2.1	2.2	1.4	18.9	5.7	0.8	2.3	0.3	0.6	1.5	12.2	3.4	80.2
I.S.																
E.T.		24.7								0.1					0.3	2.4
Others																24.8
Riters	[mio.rod]	1,018.0	953.3	72.4	98.5	75.1	119.4	97.5	108.3	130.9	16.8	137.5	76.9	99.2	57.7	831.1
Working Days		240.0	205.0	20.0	20.0	20.0	21.0	19.0	19.0	23.0	20.0	22.3	20.7	20.7	17.0	242.0
Overtime	[day]															0.0
Production Rate	[mio.CTD.]	70.7	60.3	61.4	63.9	58.4	61.8	61.3	60.5	57.3	60.6	56.2	62.2	60.4	64.7	61.3
(Average)																
Personnel :																
SVC/w.o. Cas		693.0	677.0	673.2	675.7	680.8	681.0	683.0	685.2	676.3	673.1	672.3	671.4	668.2	670.0	666.6
FME/w.o. Cas		211.5	196.3	197.0	197.6	194.0	194.8	196.0	194.0	193.5	193.1	201.0	202.5	195.5	194.0	193.6
Casuals	[pers]	10.0	32.6	30.1	27.5	27.6	25.9	29.5	37.9	38.8	41.2	37.5	25.9	33.9	27.6	43.1
Tot. Plant MUC		914.5	905.9	900.3	900.8	902.4	901.7	908.5	917.1	910.4	907.4	910.8	899.8	897.6	891.6	903.2
Apport. CFME		27.5	21.2	21.1	20.4	19.4	21.4	22.0	19.2	20.2	21.2	22.0	24.6	22.6	26.8	23.6
Total Incl. CFME		942.0	927.1	921.4	921.2	921.8	923.1	930.5	936.3	930.6	928.6	932.8	924.4	920.2	918.4	926.8
Productivity: SVC + Cas	[10000-]	19.2	16.0	15.1	16.5	15.5	15.1	16.9	15.8	15.8	17.9	15.8	16.9	15.2	18.2	15.5
SVC + FME + Cas	[man-h]	14.3	11.9	11.3	12.1	11.5	11.3	12.6	11.9	11.7	13.3	11.7	12.5	11.2	13.3	11.6
Allocation :																
III & Acc.		5.5	6.3	5.0	7.3	7.2	6.6	5.8	6.5	7.6	5.7	6.1	5.5	6.2	5.3	5.6
Vacation	[%]	16.3	14.2	9.8	11.1	13.0	8.1	17.6	13.7	15.2	21.1	17.1	15.2	10.1	20.6	14.2
Other		2.6	3.2	2.1	2.5	3.1	3.2	3.5	3.4	3.4	3.7	3.8	3.5	2.5	2.2	2.3
Total		24.4	23.7	16.9	20.9	23.3	17.9	26.9	23.6	26.2	30.5	27.0	24.2	18.8	28.1	22.1

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PMG-MUNICH

CURRENT YEAR 1991

LAST YEAR

	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Efficiency:	Filter Making Making FS Packing FS Link-up [%]	82.5	81.6	79.9	80.3	80.6	79.6	80.3	84.1	81.9	84.8	83.0	81.5	79.0	78.2	80.0
		64.3	64.1	64.6	63.2	64.3	70.5	71.0	64.0	62.5	67.2	60.4	53.4	71.4	71.7	69.5
		62.1	57.4	54.4	52.9	54.1	58.5	61.5	62.1	55.1	58.0	60.6	60.1	57.7	62.0	64.9
		64.5	66.7	61.7	67.8	64.8	64.3	64.9	65.9	67.5	69.8	67.5	70.7	60.2	63.1	62.2
Utilization:	Filter making Factory Asset Make/pack Factory Asset [%]	74.3	78.5	77.9	77.8	77.1	77.1	78.2	81.7	79.2	80.6	78.1	77.5	76.7	71.0	78.6
		52.0	43.3	47.3	47.3	43.9	39.1	44.0	42.6	42.3	45.4	40.1	42.0	43.9	42.4	45.2
		54.8	58.7	57.1	61.1	57.1	58.4	61.5	61.6	57.2	60.9	56.2	57.7	58.0	60.3	60.0
		32.6	27.9	30.8	28.5	27.8	28.8	27.6	27.8	27.3	28.0	26.7	28.2	29.8	29.6	32.0
Factory yield:	ML 010 MA 016 PM 010 [%]	103.6	103.0	103.0	103.0	102.9	103.0	102.9	102.9	103.3	103.5	104.0	102.0	103.1	103.1	103.4
		97.0	96.7	95.6	97.6	97.1	95.8	97.1	97.4	97.5	96.9	96.5	95.7	97.4	94.0	97.1
		103.8	104.9	103.5	104.6	104.2	104.4	105.7	105.3	104.8	105.7	104.2	105.5	103.8	105.5	104.2
		775.0	768.5	769.9	769.8	770.3	770.3	770.5	769.8	769.7	765.4	765.2	765.6	769.8	770.0	777.0
Weight at maker:	MLK MPH PMS [mg] [cg]	825.0	825.1	825.4	825.5	824.2	825.5	824.4	824.9	825.1	826.4	824.3	825.3	825.7	825.6	825.1
		635.0	630.0	649.8	630.2	630.6	649.6	649.5	630.0	630.1	630.0	630.2	649.9	630.5	630.1	636.6
		687	684	685	685	684	682	689	680	682	687	686	685	683	690	687
		663	649	647	680	673	669	669	668	672	639	665	668	669	669	670
Filter tow weight:	MLK 126 MLB 126 PMS 100 [mg] [rod]	620	619	615	616	621	612	629	629	623	618	612	618	616	616	618
		3.5	3.4	3.7	2.9	3.2	3.2	4.7	3.2	3.2	2.6	2.9	3.6	4.7	2.1	3.8
		2.9	1.7	1.7	1.8	1.7	1.8	1.7	1.5	1.6	1.6	1.6	1.5	2.2	1.9	2.0
		2.3	2.3	2.6	2.6	2.6	2.3	2.2	2.3	2.3	2.3	2.2	2.2	2.9	2.5	2.8
Wastage:	Total DIM (Waste Rep.) Tow in filter making Ctg. in making Ctg. in packing Tobacco [%]	2.3	2.3	2.4	2.7	2.5	2.6	2.1	2.3	2.2	2.0	1.7	1.7	2.6	2.2	2.6
		4.9	5.0	4.7	5.2	5.0	5.3	5.2	4.9	4.8	4.4	5.3	5.8	5.8	5.1	5.1

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	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Production Volume	[mold]	16,970.0	12,357.9	1,229.0	1,278.6	1,168.3	1,298.8	1,164.8	1,149.3	1,318.5	1,211.1	1,252.8	1,286.7	1,250.1	1,100.7	14,841.8
Working Days+Overtime	[days]	240.0	205.0	20.0	20.0	20.0	20.0	21.0	19.0	23.0	20.0	22.3	20.7	20.7	17.0	242.0
Production Rate	[mold/day]	70.7	60.3	61.4	63.9	58.4	61.8	61.3	60.5	57.3	60.6	56.2	62.2	60.4	64.7	61.3
Lead		6.77	6.83	6.71	6.95	6.88	7.00	6.83	6.83	6.83	6.58	6.77	7.07	7.07	6.84	7.16
Direct Materials	[DM/000]	6.38	6.08	5.92	5.68	5.93	6.17	6.23	6.22	6.35	6.18	5.96	6.12	5.76	5.38	5.71
Conversion Cost	Cap.	3.57	3.63	3.68	3.31	3.72	3.54	3.21	3.83	3.60	3.65	3.94	3.81	3.81	3.79	3.37
Total Variable		16.72	16.54	16.31	15.94	16.53	16.71	16.27	16.88	16.58	16.41	16.67	17.00	16.64	16.01	16.24
FME (incl.CFME) *	[DM/000]	4.32	5.42	4.61	4.97	5.30	4.52	4.98	5.93	4.16	4.75	4.91	10.10	4.32	15.77	5.01
Cost of Goods Manufactured	DM/000	21.04	21.96	20.92	20.91	21.83	21.23	21.25	22.81	20.74	21.16	21.58	27.10	20.96	31.78	21.25

* CFME portion Munich

[%]

26.9

29.4

25.0

22.9

20.7

20.3

19.6

18.7

22.0

21.1

20.1

21.3

22.1

20.8

24.5

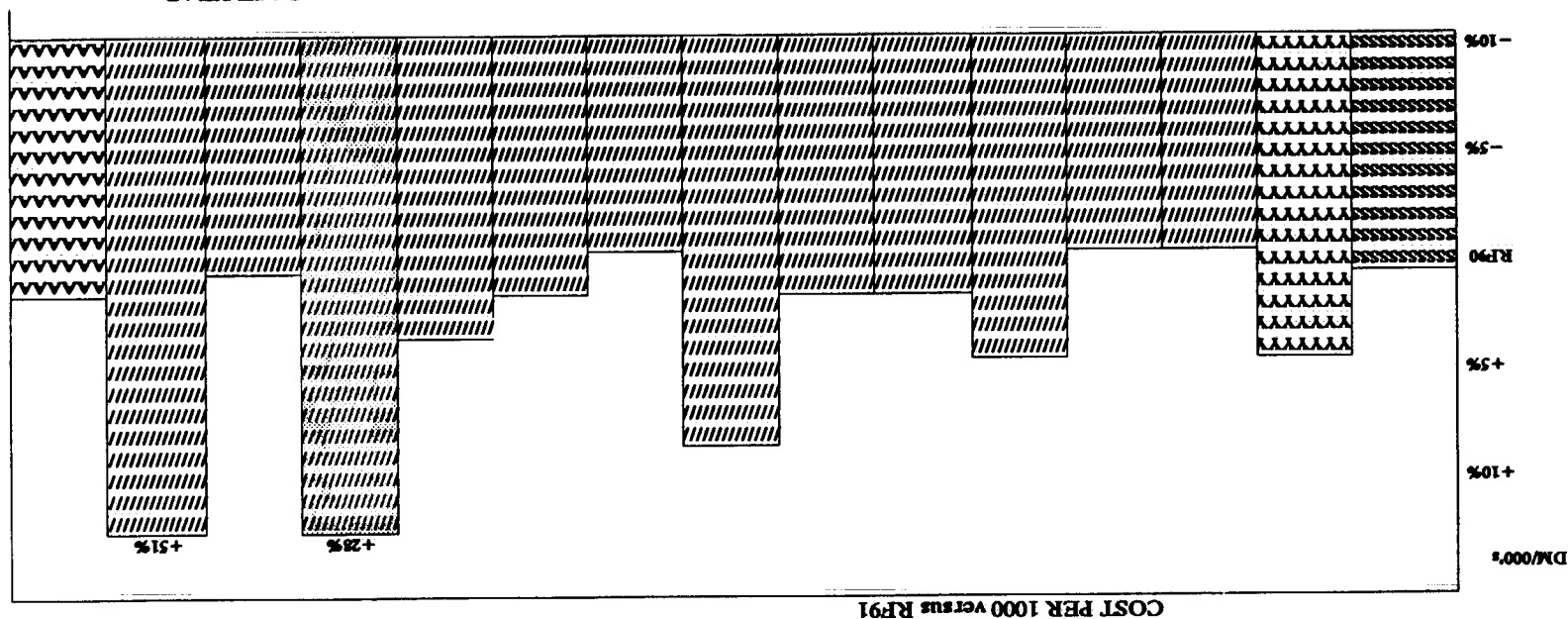
20.5

26.9

PMG-MUNICH

CURRENT YEAR 1991

LAST YEAR



VEZIFA FACTORIES

Production

- Total cigarette production for the Dresden and Leisnig factories amounted to 1.075,3 mio units, which was 6,8 mio. units below planned production.
- Average daily production volume for the month was 53,8 mio. units, including a daily high of 63,6 mio.

Projects

- The new oil boiler in Factory 2 has been commissioned.
- Installation of equipment for project Maria has been completed and a test run has started.
- Prototype Karo Plain for revised tar ceiling has been approved by Panel A (Blend modification only). Confirmation tests are scheduled in Dresden for mid December.
- 100mm equipment (HLP ex Munich, MK-9 ex Berlin) for F6 100 has been delivered.

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PM - HOLLAND

BERGEN OP ZOOM

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BERGEN OP ZOOM

Production :

Both primary and secondary production were above svc in line with the rolling forecast, that is now increasing to a daily volume of 225 mio in the first half of 1992 versus a 217 mio in the RF92.

Productivity :

Total variable productivity was 33,5 thousand cpm and variable plus FME 22,8 thousand cpm. Year-to-date our productivity is 32,4 thousand cpm variable and 21,7 variable plus FME which is resp. on and 0.5% below total RF91.

Efficiency :

Total machine efficiency became 72,1%, factory utilisation 66,1% and asset utilisation 58,4% compared to the month standards of resp. 71,3%, 60,7% and 57,3%. The composite speed became 6,641 cig which is on budget. Filtermaking efficiency became 84,4% and y-t-d 84,0% compared to a standard of 85,9%. Especially the efficiencies on the Focke 700's were low due to the learning curves on the 2 new machines.

Yields :

The yield of our main blend ML017 became 104,1 which is an increase compared to September but still 0.5 below budget. Year-to-date the ML017 factory yield is now 104,0.

Waste :

Total material waste was 2,05% versus a month standard of 2,52%; ytd. actual is now 1,98%. The tobacco waste was 4,77% for the month and y-t-d 4,86%.

2021564721

PM - HOLLAND / BOZ KEY PERFORMANCE INDICES SEPTEMBER 1991

CURRENT YEAR 1991

LAST YEAR

	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Prod.Vol.: OVF-PLAN/SVC	[mic cig]	48,000.0	40,878.0	5,291.0	3,461.0	4,171.0	3,804.0	3,958.0	4,142.0	4,003.0	2,999.0	4,271.0	4,778.0	3,847.0	1,948.0	40,030.0
Actual	[mic cig]		41,842.0	5,877.0	3,950.0	4,574.0	3,884.0	3,840.0	3,933.0	4,173.0	2,684.0	4,084.0	4,843.0	4,521.0	2,115.0	44,757.0
Link-up	[%]		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	98.8
Exports : Cut Filler		5,784.0	5,223.0	604.0	518.0	536.0	525.0	490.0	573.0	386.0	385.0	565.0	641.0	493.0	216.0	5,855.0
I.S. / H.S.		303.0	258.0	54.0	15.0	28.0	28.0	14.0	22.0	26.0	19.0	20.0	32.0	19.0	22.0	245.0
E.T.	[ton]		51.0	51.0										87.0		434.0
Treated Burley + BBS		116.0	836.0	528.0	157.0	76.0	9.0	9.0	9.0	9.0	15.0	9.0	15.0	190.0	261.0	3,022.0
Filters			1.0	1.0										2.0	1.0	3.0
Imports : Cut Filler																
I.S.	[ton]															
E.T.																
Others (shorts or BE,GB)																5.0
Filters	[mic.rod]	507.0	303.0	56.0	44.0	25.0	20.0	11.0	22.0	13.0	30.0	30.0	52.0	56.0	29.0	743.0
Working Days		241.0	209.0	27.0	18.0	21.0	19.0	20.0	20.0	20.0	20.0	21.0	23.0	22.0	10.0	242.0
Overtime	[day]		0.0	0.0												0.9
Production Rate (Average)	[mic.C/D.]	199.2	200.2	217.3	219.4	217.8	204.4	192.0	196.6	208.7	134.2	194.5	210.6	205.5	211.4	184.3
Personnel : SVC / w.o. Cas		1,047.0	1,014.0	1,020.0	1,016.0	1,019.0	1,019.0	1,020.0	1,011.0	1,011.0	1,009.0	1,006.0	1,005.0	1,008.0	1,010.0	988.0
FME / w.o. Cas	[pers]	473.5	432.0	420.0	424.0	423.0	432.0	432.0	438.0	434.0	434.0	441.0	441.0	425.0	425.0	413.0
Casuals		25.0	56.0	63.0	68.0	55.0	45.0	33.0	33.0	58.0	56.0	59.0	56.0	80.0	80.0	65.0
SVC + FME + Cas		1,545.5	1,502.0	1,503.0	1,508.0	1,497.0	1,496.0	1,485.0	1,482.0	1,503.0	1,499.0	1,506.0	1,502.0	1,513.0	1,515.0	1,466.0
Productivity: SVC *	[1000c.]	31.9	32.4	31.2	33.4	33.5	31.7	31.0	31.9	32.1	30.5	32.1	33.5	31.4	30.7	30.8
SVC + FME (incl.Gent)	[man-h]	21.6	21.7	21.3	22.7	22.5	21.1	20.5	21.1	22.0	20.0	21.7	22.8	21.3	20.6	20.8
Absenteeism : (SVC)																
ADV		4.9	4.7	9.6	10.5	1.5	6.4	7.0	1.9	1.1	2.2	1.8	2.3	2.0	1.8	4.6
Ill.& Acc.	[%]	6.7	6.8	6.1	7.8	8.2	7.4	6.4	7.2	6.0	5.1	7.8	7.1	7.4	8.1	7.5
Vacation		9.8	10.4	2.2	4.6	4.7	4.5	5.9	5.0	19.7	40.1	7.4	5.5	4.5	5.3	9.6
Other		1.2	1.5	3.4	0.9	0.9	0.9	1.2	0.8	0.9	1.0	2.4	1.0	1.4	1.6	1.1
Total		22.6	23.4	21.3	23.8	15.3	19.2	20.5	14.9	27.7	48.4	19.4	15.9	15.3	16.8	22.8

* Without manhours spent for export

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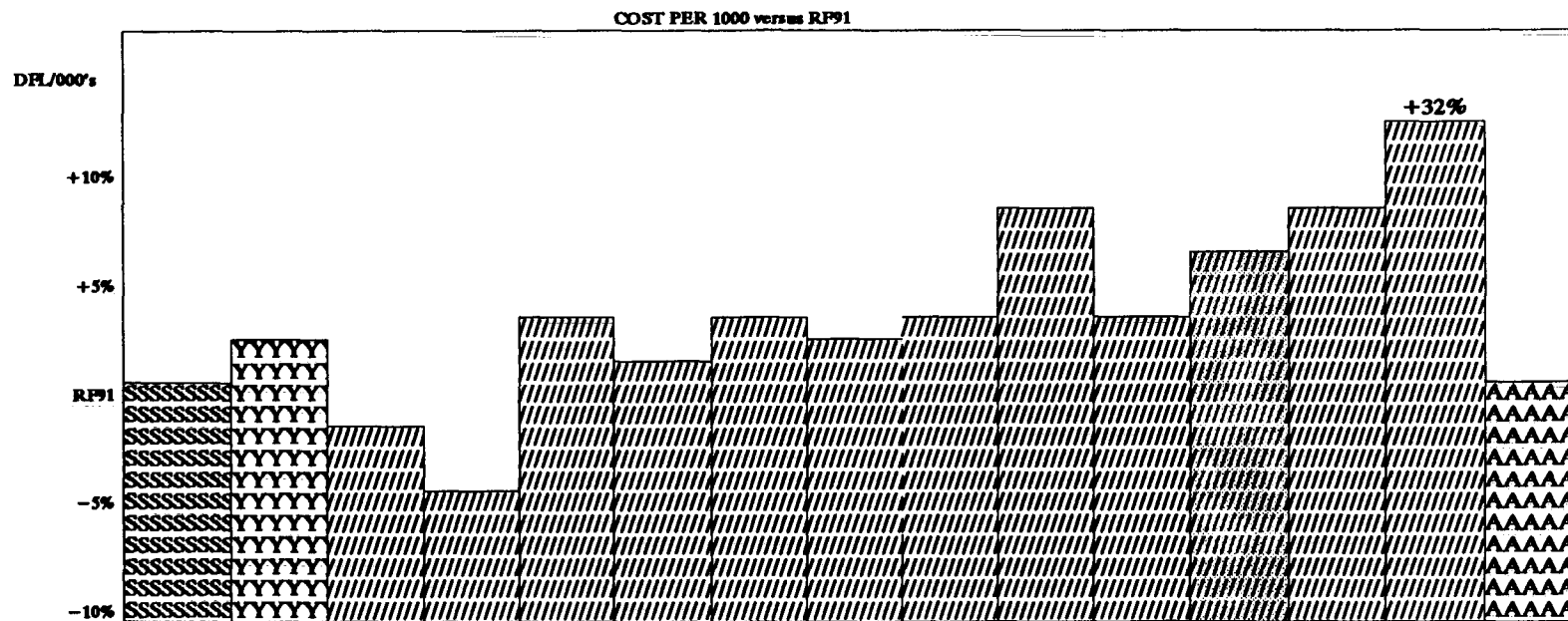
LAST YEAR

CURRENT YEAR 1991

PMH-BOZ

	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Efficiency :																
Filter Making	[%]	85.9	84.0	83.0	82.3	84.7	85.8	84.2	83.5	86.4	80.4	82.5	84.4	86.5	86.0	86.6
Link-up		71.0	73.7	75.5	75.0	75.2	76.1	75.2	73.6	73.4	68.5	70.5	72.1	73.0	75.2	71.4
Utilization :																
Filter making		78.9	79.2	79.3	77.7	79.6	81.7	81.8	77.9	82.4	73.3	70.3	79.2	79.3	80.2	79.7
Factory Asset	[%]	69.4	64.2	77.1	69.6	70.7	66.0	65.3	64.9	70.5	42.7	56.8	59.3	76.6	77.6	69.5
Make/pack		63.1	64.2	67.2	67.5	67.8	68.5	68.2	64.9	67.0	62.2	62.0	66.1	66.1	67.0	64.0
Factory Asset		57.6	58.6	63.7	64.3	64.8	64.6	58.8	59.8	61.8	37.3	53.9	58.4	63.9	64.3	59.2
Factory yield :																
ML 017 (Pan Bar)		104.6	104.0	103.7	103.8	103.6	104.4	104.2	104.6	104.9	103.7	103.3	104.1	104.2	104.3	104.4
ML 055 (UK)	[%]															104.6
MA 019		95.1	96.9	97.5	97.0	96.1	95.8	100.3	96.8	97.2	95.5	97.6	97.5	98.4	98.2	98.3
MG 010		106.6	105.8	105.5	106.3	107.4	106.4	106.1	105.2	106.5	105.1	104.5	105.0	107.0	108.1	107.0
Weight at anchor :																
MLB 13	[mg]	763	756	758	759	758	759	758	757	755	750	752	755	753	759	756
MAC 12	[cg]	651														645
MBR 19		695	685	684	682	683	681	681	688	686	691	683	690	677	683	683
Filter tow weight :																
MLB 126 mm	[mg] [rod]	683	684	692	688	683	676	690	672	678	697	689	675	689	687	691
Wastage :																
Total Direct Mat.(Cont)		2.4	2.0	2.4	1.8	2.0	2.0	1.8	1.9	2.1	2.4	1.5	2.0	2.0	2.1	2.1
Tow in filter making	[%]	2.1	2.2	3.9	0.7	3.0		1.6	1.4	2.4	6.1	2.5	1.5	3.1	3.3	3.0
Cig. in making)		3.2	2.6	2.6	2.4	2.6	2.6	2.7	2.6	2.5	2.3	2.8	2.7	2.7	3.2	3.1
Cig. in packing)																
Tobacco		3.6	4.9	5.3	4.4	4.6	4.7	5.2	4.7	4.7	4.2	5.1	4.8	4.4	4.8	4.1

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PMH-BOZ

CURRENT YEAR 1991

LAST YEAR

	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Production Volume	[mio.cigs]	48,000.0	41,842.0	5,877.0	3,950.0	4,574.0	3,884.0	3,840.0	3,933.0	4,173.0	2,684.0	4,084.0	4,843.0	4,521.0	2,115.0	44,757.0
Working Days+Overtime	[days]	241.0	209.0	27.0	18.0	21.0	19.0	20.0	20.0	20.0	20.0	21.0	23.0	22.0	10.0	242.9
Production Rate	[mio.c./day]	199.2	200.2	217.3	219.4	217.8	204.4	192.0	196.6	208.7	134.2	194.5	210.6	205.5	211.4	184.3
Leaf		7.73	7.74	7.88	7.74	7.54	7.80	7.71	7.68	7.87	8.11	7.76	7.67	7.62	7.90	7.51
Direct Materials	[DPL/.000]	5.43	5.42	5.24	5.10	5.13	5.19	5.43	5.37	5.47	5.45	5.47	5.18	5.20	5.06	5.34
Conversion Cost	Cigs.	1.91	1.91	1.69	1.63	1.68	1.77	1.95	1.87	1.82	2.16	1.89	1.90	1.74	2.15	1.80
Total Variable		15.07	15.07	14.81	14.47	14.35	14.76	15.09	14.92	15.16	15.72	15.12	14.75	14.56	15.11	14.65
FME	[DPL/.000]	2.03	2.35	2.03	1.75	3.28	2.54	2.49	2.49	2.44	2.83	2.56	3.40	3.97	7.49	2.42
Cost of Goods Manufactured	[DPL/.000]	17.10	17.42	16.84	16.22	17.63	17.30	17.58	17.41	17.60	18.55	17.68	18.15	18.53	22.60	17.07

2021564724

INTERTABA

ZOLA PREDOSA

2021564725

INTERTABA

- A new compressor was installed, complete with dryer and compressed air tanks.
- The use of paper PPW 120, instead of the 8250 S&H, was extended to all combi filters.
- The last trials with black tow 5/35000 were carried out.
- Project "Carbo" was postponed to January '92 due to lack of material from Eastman.
- Sent to R&D a sample of combi filter, paper + acetate, for 1 mg. cigarette.
- Compared to Oct. 90, the production was 94.5% and the YTD 120.9%. Sales were 82.0% and 111.4% respectively.

2021564726

INTERTABA KEY PERFORMANCE INDICES OCTOBER 1991

CURRENT YEAR 1991													LAST YEAR			
	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Prod. Vol. :																
Single Filters	[mio.rod]	1770.0	1523.0	106.0	183.0	204.0	134.0	198.0	183.0	193.0	25.0	143.0	154.0	190.0	168.0	1611.0
Combi Filters		2595.0	2123.0	163.0	286.0	274.0	238.0	256.0	189.0	204.0	21.0	218.0	274.0	229.0	199.0	2203.0
Felt Pen Reservoirs		150.0	123.0	10.0	15.0	16.0	14.0	23.0	14.0	4.0	—	12.0	15.0	7.0	4.0	100.0
Total		4515.0	3769.0	279.0	484.0	494.0	386.0	477.0	386.0	401.0	46.0	373.0	443.0	426.0	371.0	3914.0
Semifinished		2306.0	1905.0	179.0	245.0	246.0	252.0	233.0	155.0	165.0	5.0	201.0	225.0	214.0	176.0	1960.0
Working Days		21.0	189.0	16.0	21.0	21.0	19.0	22.0	20.0	23.0	3.0	21.0	23.0	20.0	17.0	225.0
Overtime	[day]	—	2.4	0.1	1.2	1.1					—	—	—	1.9	1.5	5.1
Personnel :																
SVC (w/o casuals)	[pers]	90.0	78.0	74.0	76.0	75.0	75.0	78.0	79.0	78.5	78.5	81.5	83.5	71.5	73.5	69.1
FME (w/o casuals)		48.0	47.0	45.0	46.0	46.0	47.0	47.0	48.0	48.0	48.0	48.0	47.0	46.0	46.0	46.8
Casuals			10.0	16.0	15.0	15.0	14.0	12.0	8.0	6.0	6.0	3.0	2.0	12.0	8.0	6.3
SVC + FME + Cas.		138.0	135.0	135.0	137.0	136.0	136.0	137.0	135.0	132.5	132.5	132.5	132.5	129.5	127.5	121.2
Absenteeism (SVC) :																
Ill. & Acc.	[%]	6.5	5.4	4.3	5.2	5.0	6.0	6.3	5.8	6.4	3.0	5.8	6.5	5.8	3.3	6.8
Vacation		12.3	10.0	6.7	1.8	0.7	0.9	1.8	2.6	2.2	81.7	1.9	0.5	0.8	14.2	8.4
Other		3.5	2.4	4.4	1.7	1.6	0.9	2.6	2.0	1.2	2.3	2.6	4.0	2.2	1.6	5.0
Total		22.3	17.8	15.4	8.7	7.3	7.8	10.7	10.4	9.8	87.0	10.3	11.0	8.8	19.1	20.2
Public Holidays	[day]	12.0	6.0	1.0			3.0	1.0						1.0	4.0	10.0
Efficiency :																
White Filters	[%]	85.1	85.4	84.1	84.9	85.1	85.2	86.1	86.0	84.9	88.9	85.0	86.4	84.0	84.9	84.2
Charcoal Filters		85.6	85.5	83.4	83.5	84.0	85.3	89.2	85.7	88.8	90.8	86.4	83.6	86.2	85.4	85.2
Combined Filters		85.7	83.3	82.8	82.7	83.7	83.9	84.5	84.0	81.4	84.0	81.2	84.9	84.9	83.3	85.3
Felt Pen Reservoirs		81.6	81.1	75.8	78.4	87.8	83.8	77.8	82.7	82.5	—	83.6	80.2	90.7	75.1	83.7
Paper Filters		81.0	70.1	67.3	68.1	71.5	72.2	73.1	69.2	70.8	87.9	69.7	68.7	73.4	71.5	77.0
Filter Tow Weight :																
MKP 120mm (new)	mg	655	639	662	639	637	639	637	633	642	637	644	643	648	658	661
MPH-125mm semi w.	[-]	694	—	683	672	685	676	689	672	676	—	—	—	682	682	693
DIK 120mm (new)	rod	620	595	602	574	597	601	603	596	590	591	591	596	613	618	624
Wastage Tow :																
White filters	[%]	3.2	3.2	3.2	3.9	3.5	3.1	2.8	3.2	3.2	2.4	3.2	2.6	2.8	3.3	3.2
All filters		3.1	3.5	3.6	3.9	3.6	3.5	3.2	3.4	3.6	3.6	3.7	3.0	3.1	3.5	3.3

2021564727

INTERTABA PRODUCTION & SALES OCTOBER 1991

	MONTH								YTD								YTD 1990
	MONITAL		AFFILIATES		3rd PARTIES		TOTAL	MONITAL		AFFILIATES		3rd PARTIES		TOTAL			
	[mio rods]	[%]	[mio rods]	[%]	[mio rods]	[%]	[mio rods]	[mio rods]	[%]	[mio rods]	[%]	[mio rods]	[%]	[mio rods]	[mio rods]		
<u>PRODUCTION</u>																	
Single Filters	122.4		31.7		0.1		154.2	1323.7		199.2		1.0		1523.9	1252.0		
Com bined Filters	44.6		227.8		1.3		273.7	341.2		1749.2		32.7		2123.1	1776.0		
Felt Pen Reservoirs					15.1		15.1					122.2		122.2	90.0		
TOTAL	167.0	37.7	259.5	58.6	16.5	3.7	443.0	1664.9	44.2	1948.4	51.7	155.9	4.1	3769.2	3118.0		
<u>SALES</u>																	
Single Filters	138.6		13.7		0.4		152.7	1234.3		179.9		1.1		1415.3	1281.0		
Com bined Filters	48.9		190.9		7.2		247.0	331.1		1681.8		31.3		2044.2	1817.0		
Felt Pen Reservoirs					10.8		10.8					105.0		105.0	102.0		
TOTAL	187.5	45.7	204.6	49.8	18.4	4.5	410.5	1565.4	43.9	1861.7	52.2	137.4	3.9	3564.5	3200.0		

Semif. production

225

1905

Semif. utilization

238

1905

2021564728

PM - SPAIN

SANTA CRUZ

2021564729

SANTA CRUZ

Cigarette production

- The cigarette production for this month amounted to 1.156,6 mio. units v.s. 1.079,6 budgeted.
- A total of 247,1 mio units were made in overtime.

General

- The wastage of acetate during this month was 1.4%, improving its yield considerably with respect to former months, due to the change of tow (Courtaulds).
- Installation of carton transport system to case packers.

2021564730

PM - SPAIN KEY PERFORMANCE INDICES OCTOBER 1991

CURRENT YEAR 1991

LAST YEAR

	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Prod. Vol. : OVF-PLANSVC	[micels]	8,899.4	7,335.2	1,025.6	732.7	733.6	668.0	846.6	729.6	1,016.0	210.7	482.6	1,079.6	624.0	739.0	7,378.0
Actual	[micels]		7,758.4	932.7	714.6	757.4	872.1	905.4	743.1	1,051.1	184.9	440.6	1,156.7	628.0	581.0	7,353.0
Link-up	[%]															
Exports :																
Cut Filter	[ton]															
I.S.																
E.T.																
Others																
Fillets	[mlrdr]	250.0	459.8	40.2	37.5	19.5	22.5	92.8	71.5	96.7	11.0	29.7	38.4	0.0	19.0	345.0
Imports :																
Cut Filter	[ton]															
I.S.		791.4	695.5	86.7	61.7	69.2	76.6	81.2	66.3	92.8	14.3	43.1	105.7	56.4	51.4	654.8
E.T.		5291.0	4699.7	590.7	409.3	445.3	515.8	543.6	445.9	636.4	85.6	305.6	701.3	376.0	328.3	4343.7
Others (BBS+RBC)		35.0	25.3	8.3	0.2	0.2	5.3	3.4	1.5	6.6	0.0	0.0	0.0	5.4	0.0	26.4
Fillets (Lart)	[mlrdr]															
Working Days		224.0	193.0	27.0	19.0	19.0	19.0	23.0	19.0	24.0	5.0	13.0	25.0	19.0	19.0	227.0
Overtime	[day]	14.0	34.3	2.0	2.5	2.5	3.8	2.9	2.5	8.2	0.8	2.0	7.0	0.7	0.0	15.4
Production Rate	[mlrdr/day]	37.4	34.1	32.2	33.2	35.2	38.2	35.0	34.5	32.6	31.9	29.4	36.1	31.9	30.6	30.3
(Average)																
Personnel :																
SVC/ w.o. Cas		250.0	247.3	247.0	245.0	245.0	245.0	247.0	250.0	250.0	249.0	248.0	247.0	246.0	245.0	247.1
PME/ w.o. Cas		101.0	176.4	178.0	180.0	179.0	179.0	187.0	173.0	171.0	174.0	172.0	171.0	177.0	177.0	179.0
Casual SVC	[pers]	49.0	24.7	15.0	17.0	24.0	25.0	29.0	30.0	30.0	30.0	29.0	31.0	15.0	15.0	13.0
Casual PME		45.0	34.9	21.0	24.0	27.0	36.0	39.0	42.0	42.0	44.0	46.0	46.0	24.0	24.0	20.7
Total Plant		525.0	483.3	461.0	466.0	465.0	475.0	495.0	491.0	493.0	497.0	495.0	495.0	482.0	461.0	459.8
Productivity : SVC + Cas	[.000 C/]	20.6	19.6	19.6	19.8	20.8	21.7	20.0	19.8	20.4	13.1	16.1	21.9	24.9	18.3	19.4
SVC + PME + Cas	[preshrn]	11.7	11.6	11.3	11.7	12.2	12.7	11.7	11.7	12.3	5.8	8.9	13.2	14.5	10.5	11.3
Absenteeism :																
(SVC)		4.9	4.4	5.4	3.9	4.3	4.2	5.3	5.8	5.1	3.1	2.9	3.3	5.7	6.1	5.3
Ill. & Acc.		9.2	9.1	1.4	0.6	0.0	0.0	0.1	0.2	3.6	56.2	30.4	3.7	1.3	1.5	9.1
Version		2.1	2.4	2.4	2.0	2.8	2.3	2.4	2.7	2.4	0.8	2.1	3.6	2.2	2.3	2.1
Other		16.2	15.9	9.2	6.5	7.0	6.5	7.8	8.7	11.1	60.1	35.4	10.6	9.2	9.9	16.5
Total																

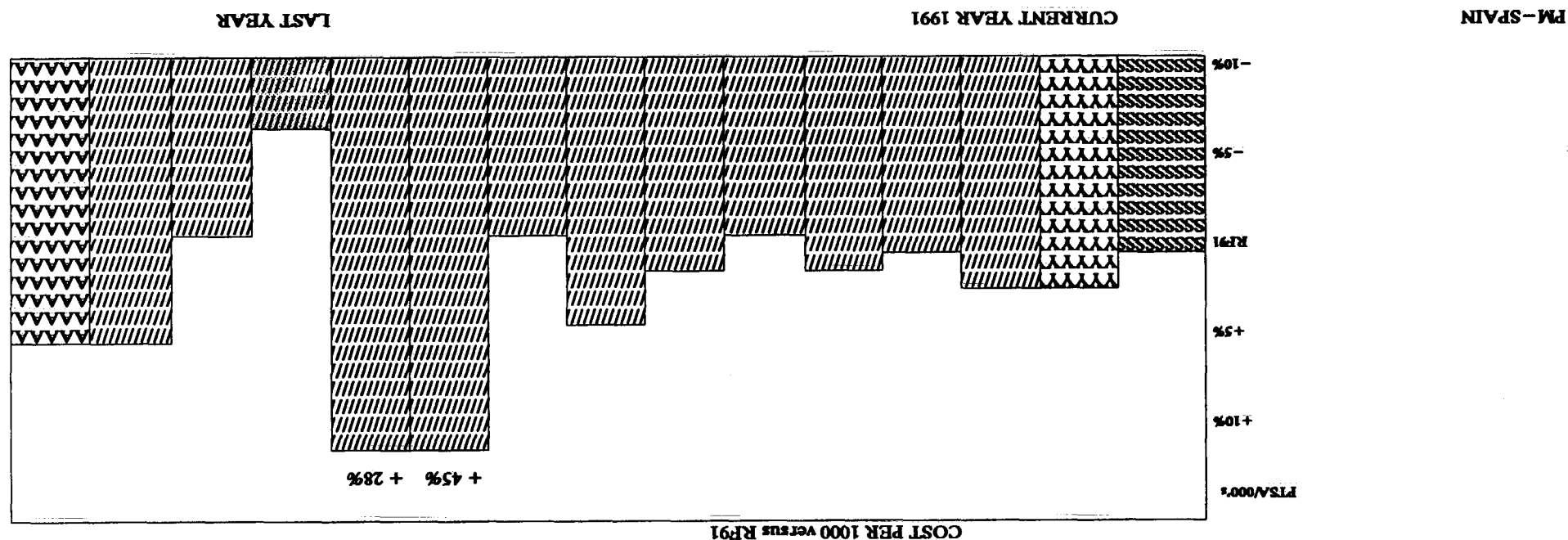
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	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90	
Efficiency :	[%]																
			89.5	92.3	91.3	94.8	94.1	92.2	92.5	90.2	93.0	92.7	89.0	93.2	92.8	95.1	91.1
			61.8	66.6	62.9	65.9	69.0	75.0	70.2	70.0	65.6	66.3	58.8	61.2	60.5	62.2	66.6
			64.5	65.6	66.3	64.6	67.8	74.7	68.0	66.0	65.3	65.5	55.6	59.9	60.8	66.2	66.1
Link-up																	
Utilization :	[%]																
			85.5	91.3	90.3	93.8	93.0	91.2	91.2	89.2	91.9	91.9	88.1	92.8	91.8	94.0	89.6
			50.9	60.9	41.1	51.4	51.3	59.5	71.6	69.2	72.2	70.2	55.8	61.5	58.6	47.4	64.2
			63.7	62.5	60.5	57.1	63.8	71.9	66.2	63.9	62.2	63.7	54.3	57.5	56.4	60.5	62.4
Asset																	
		58.5	64.2	54.2	54.0	61.2	74.9	66.6	66.2	74.1	65.1	56.1	67.0	55.3	57.9	63.8	
Factory Yield :	[%]																
			96.4	96.6	95.5	96.3	97.8	97.4	97.1	95.7	97.2	97.0	97.1	96.1	97.6	95.7	95.7
			96.4	96.1	95.6		96.3	96.0	96.4		95.8	-	95.5	96.7	96.5	98.1	96.4
			96.4	96.3	95.6		96.0	97.1		94.7	97.1	-	94.8	97.3	96.1	95.2	96.2
MLP 238																	
Weight at maker :	[mg] [cg]																
			758	760	760	759	759	761	763	754	763	763	758	760	765	758	753
			726	735	742	738	738	735	731	731	737	-	727	739	726	735	729
			758	761	765	759	759	762		751	763	-	760	763	756	765	752
MLP 238																	
Filt. low weight :	[mg] [rod]																
			630	640	655	651	653	661	672	671	665	683	661	645	661	658	649
MLB 120mm																	
Wastage:	[%]																
			1.7	1.7	1.7	1.4	1.4	1.3	2.6	2.0	1.8	3.6	2.0	1.2	1.8	1.8	1.6
			0.7	3.0	1.7	0.7	1.0	3.8	5.5	4.5	3.5	6.4	3.1	1.4	2.3	2.6	1.0
			2.4	2.8	2.4	2.8	2.6	2.4	2.4	2.6	3.0	2.9	4.5	3.5	2.4	2.2	2.6
Og.in Packing]																	
		4.7	4.2	4.8	4.4	4.0	3.9	4.1	4.2	4.4	5.0	3.4	4.1	4.9	5.1	4.9	
Tobacco																	

2021564732

2021564733

	UNITS	STAND	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ACT 90
Production Volume	[mlc/dp]	8,899.4	7,758.4	932.7	714.6	757.4	872.1	905.4	743.1	1,051.1	184.9	440.6	1,156.7	628.0	581.0	7,353.0
Working Days+Overtime	[days]	228.0	227.3	29.0	21.5	21.5	22.8	25.9	21.5	32.2	5.8	15.0	52.0	19.7	19.0	242.4
Production Rate	[mlc/day]	37.4	34.1	32.2	33.2	35.2	38.2	35.0	34.5	32.6	31.9	29.4	36.1	31.9	30.6	30.3
Leak		766.55	797.44	777.83	734.31	739.94	803.53	805.09	833.31	822.73	814.25	840.35	801.44	713.49	776.02	782.51
Direct Materials	[paw./000]	321.66	341.10	409.15	373.25	368.48	315.93	316.22	312.29	327.96	313.59	321.53	316.09	391.03	380.71	398.46
Conversion Cost	[Cgr.]	120.79	123.96	120.04	125.47	114.71	110.36	126.03	124.87	113.14	212.12	233.91	94.13	117.69	94.73	115.81
Total Variable	[paw./000]	1209.00	1262.50	1307.02	1233.03	1243.13	1229.82	1247.34	1290.47	1263.83	1339.96	1395.81	1271.46	1222.21	1251.46	1296.78
PMR	[Cgr.]	211.04	191.03	145.26	189.41	186.89	177.48	180.37	186.06	140.30	715.72	416.84	129.57	189.52	246.09	194.68
Cost of Goods Manufactured	[paw./000]	1420.04	1453.53	1452.28	1422.44	1430.02	1407.30	1427.71	1476.53	1404.13	2055.68	1812.65	1341.23	1411.73	1497.55	1491.46



RESEARCH & DEVELOPMENT

2021564734

2HC JM, HB
Please see
Noted items
Ken

Gloria
Copy noted pages please
JM

RESEARCH

**PRODUCT DEVELOPMENT
QA + TECHNICAL SERVICES
RESEARCH DEPARTMENT
PROCESS DEVELOPMENT
COMPUTER APPLICATIONS**

2021564735

Gloria
Copy noted pages please

Jm

2021564736

JHC, JM, HB
Please see
Noted items
Ken

RESEARCH & DEVELOPMENT

PRODUCT DEVELOPMENT
QA + TECHNICAL SERVICES
RESEARCH DEPARTMENT
PROCESS DEVELOPMENT
COMPUTER APPLICATIONS

2021564737

PRODUCT DEVELOPMENT

CIGARETTE DEVELOPMENT

Development of the following products has been completed:

- Tar reduction combined with blend standardization on Mercedes for Italy
- Development of a F6 lights KS for Germany

Development ongoing:

- PMU improvement program
- Development of a Parliament KS for Germany
- Tar reduction on Karo plain for Germany
- Tar reduction on Juwel filter for Germany
- Tar reduction on F6 for Germany
- Marlboro blend evolution program until 1998
- Tobacco contingency program on FF001 blend (F6)
- Development of a F6 KS for Germany
- Development of a Merit Ultra slim for Italy
- Filter length increase on Armada and Runner for Belgium and Holland
- Evaluation of DIET vs NET on Marlboro PE, Marlboro DB and PMS
- Tobacco contingency program on a modified FF001 blend for Russia
- Development of a low cost Lights cigarette using GE001 blend for Germany.
- Development of a Marlboro Medium for Germany
- Bring MLX PE to 9 mg Tar New Iso

2021564738

PRODUCT EVALUATION GROUP

Blind Product tests EEC Region

Project "PARAKEET":

Blind monadic product test in Belgium of the current Philip Morris Super Lights. The cigarettes were sent from BOZ to Belgium beginning October 1991.

Blind Product tests EEMA Region

Project "MASON":

Blind product test in Switzerland of the Brunette Double Filtre versus the Marocaine Super. The cigarettes were delivered to the Institute mid-September 1991.

Project "KIOWA":

Blind product test in Switzerland of the Brunette Extra versus the Marylong Extra. The cigarettes were delivered to the agency mid-September 1991.

2021564739

QUALITY ASSURANCE + TECHNICAL SERVICES

CIGARETTE/MONITORING MEETINGS

During the reporting period, meetings were held at FTR, PMH-BOZ and PMG-M. The main topics were to discuss the status of on-going non-tobacco material tests and to present the adapted cigarette smoke delivery targets according to the new ISO smoking method.

FILTER MANUFACTURING SUPPORT PROGRAM

With regard to the review and update of individual filter material specs per tow item and supplier, experimental capability curves for 3 tow items from Rhodia were established in presence of the supplier.

An extensive test was performed at FTR with and without the Rhodia tongue, keeping other parameters as constant as possible, in order to assess the Rhodia tongue with a view to tow saving.

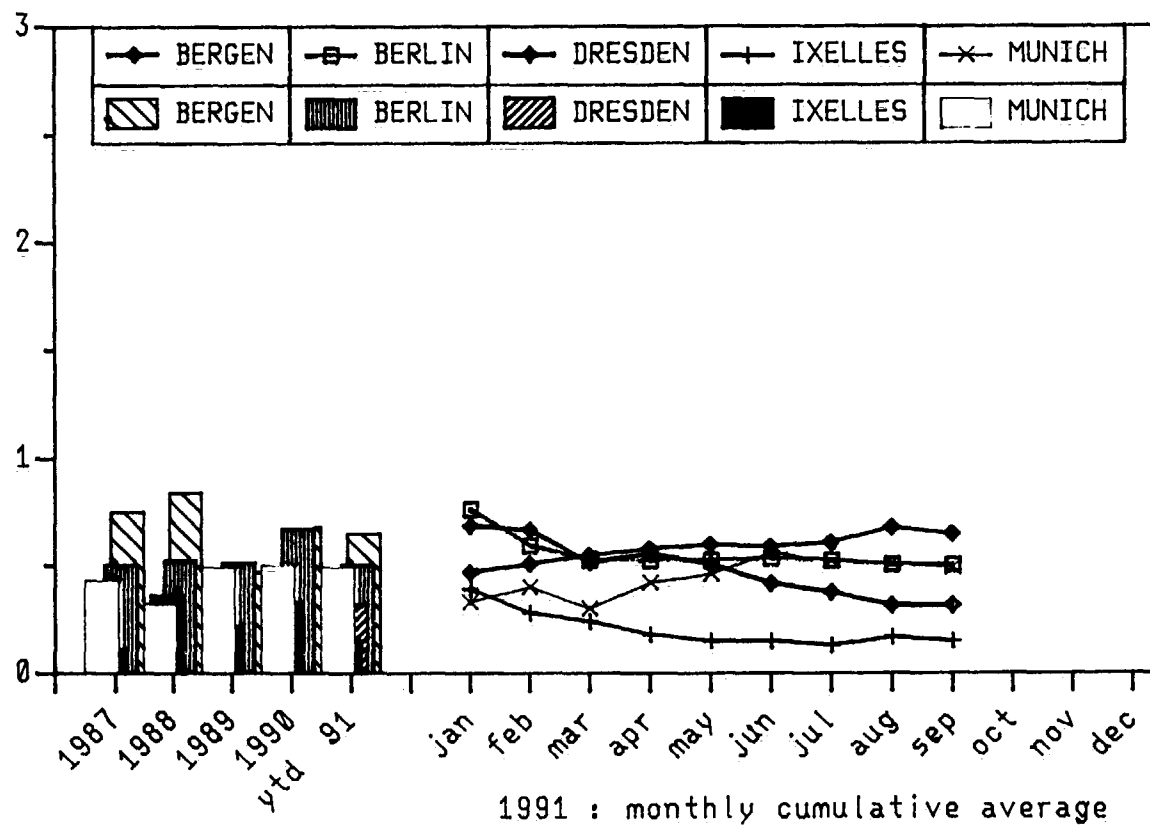
STUDY ON HUMECTANT CONTENT OF RECON

In order to have comparable humectant content data on Recon between USA and Europe, an interlaboratory test was initiated involving three labs in the USA : Park 500, R&D and Flavor Development, and two labs in Europe : R&D Neuchâtel and PMG-Munich.

2021564740

CUSTOMER COMPLAINTS

COMPLAINTS per 100 mio cig produced

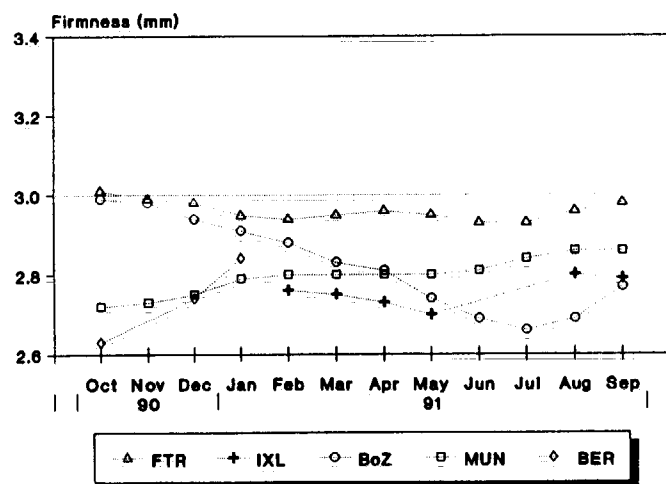


2021564741

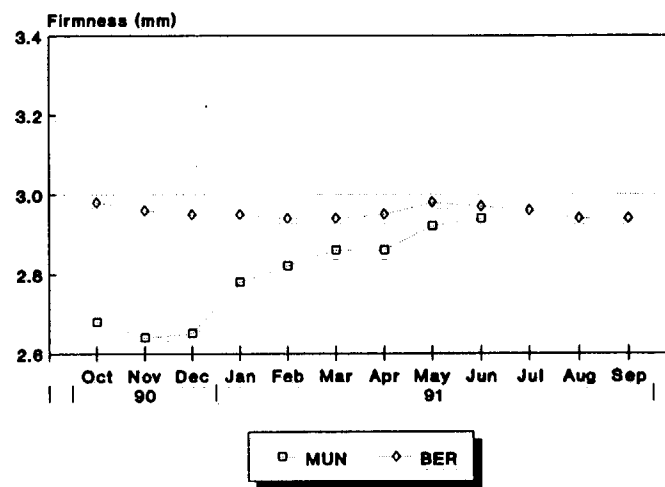
Marlboro KS

Firmness at 12.5 % O.V. (3 months moving averages)

Pan European Marlboro



German Marlboro



	Pan - European Marlboro				German Marlboro	
September Results	FTR	BoZ	IXL	MUN	MUN	BER
All at 12.5 % O.V.	MLK15	MLB12/20	MLB14/15	MLK30/40	MLK37	MLK37
Firmness (mm)	2.98	2.81	2.78	2.91	N.P.	2.97
Tobacco Weight (mg/cig.)	755	749	748	763	N.P.	765
Remarks : The tobacco weight reductions made at Munich since October 90 and at Bergen-op-Zoom in July 91 show, as expected, an influence on firmness.						

2021564742

RESEARCH DEPARTMENT

gkc
what is this? gkc
Pesticide analyses were made on 63 TLA samples. More frequent incidence of DDT levels close to the German limit on finished products has been noted.

gkc
Several methods were tested for the purification of insect control proteins from *Bacillus thuringiensis* subspecies, which were then screened by electrophoresis and bioassays on *Lasioderma serricorne*.

gkc
In collaboration with a University ¹²⁻¹⁷ alpha-amylase activity of the cigarette beetle was characterized extracted from wheat and barley : RMC/HLS ↑ insecticidal proteins active enzymes was obtained.

JM
An improved calibration method for yielded excellent agreement in a te interlaboratory test will be condu the method.

The source of a strange odor on "s of the cards was suggested.

Rejection of a glue used for lam after comparison with qualified m

Can you provide any insight on this?

(for KSH) Jm

lon

2021564743

¹²⁻¹⁷
RHC / HLS ↑

Can you provide any insight
on this?

?

1 (for KSH)

Jm

2021564744

RESEARCH DEPARTMENT

gkc
what is this? gkc
Pesticide analyses were made on 63 TLA samples. More frequent incidence of DDT levels close to the German limit on finished products has been noted.

gkc
Several methods were tested for the purification of insect control proteins from *Bacillus thuringiensis* subspecies, which were then screened by electrophoresis and bioassays on *Lasioderma serricorne*.

gkc
In collaboration with a University laboratory, alpha-amylase activity of the cigarette beetle was characterized and tested as a target for insecticidal proteins extracted from wheat and barley: a significant inhibition of the insect digestive enzymes was obtained.

gkc
An improved calibration method for the near-infrared analysis of Marlboro AC has yielded excellent agreement in a test of intentionally flawed flavor preparations. An interlaboratory test will be conducted at PM Munich QA to confirm transferability of the method.

The source of a strange odor on "scratch" cards from PMH was identified and rejection of the cards was suggested.

Rejection of a glue used for laminating aluminium foil in Hungary was recommended after comparison with qualified materials.

2021564745

PROCESS DEVELOPMENT

EXPANDED TOBACCO

- H.B.
HB
- The mandatory TUV inspection in PMG Munich has been completed and the KEU modified process gas heat exchanger was installed during the shutdown. Pressure tests were performed by TUV and some leaking tubes in the HE-1 CO2 condenser were repaired.
- In preparation of the DIET plant hazard review the affiliates are working on up-dating their documentations.
- All affiliates have received a proposal from Kellogg on the CO2 Piping Support Survey (ET-PAN-EUROPE).
- JM status? - The DIET and NET trial products from the runs in the Richmond pilot plant arrived in Neuchâtel and were used to process cut filler blends for Pan-European Marlboro, German Marlboro and PM Superlights in the Miniprimary. Cigarettes were produced and the evaluation is in progress (EURONET).

TOBACCO PROCESS QUALITY PROGRAM (GIOTTO)

- September highlights were issued. Quality 1 for the Munich and FTR facilities and were both locations. Detailed discussions took place with Services group to transfer the publication

RECONSTITUTED TOBACCO

- TLA is in progress on the sheet samples from levels from 2.8 to 8.4 % (STELLA).
- Cigarettes containing RLTC-type sheet made and not accepted. Differences were detected substituted for RLTC at full (6.6%) and had between Park 500 and LTR were established for November (SCOTT).

12-17 MLS/RPH/KHC

Any one know about this?
If so, what?
(For KSH) done 191 Jm

2021564746

2021564747

12-17
HLS/EPH/KHA
Any one know about this?
If so, what?
(For RSH) Done
Jm

PROCESS DEVELOPMENT

EXPANDED TOBACCO

- H.B.
H.B.
- The mandatory TUV inspection in PMG Munich has been completed and the KEU modified process gas heat exchanger was installed during the shutdown. Pressure tests were performed by TUV and some leaking tubes in the HE-1 CO2 condenser were repaired.
- In preparation of the DIET plant hazard review the affiliates are working on up-dating their documentations.
- All affiliates have received a proposal from Kellogg on the CO2 Piping Support Survey (ET-PAN-EUROPE).
- J.M. status? - The DIET and NET trial products from the runs in the Richmond pilot plant arrived in Neuchâtel and were used to process cut filler blends for Pan-European Marlboro, German Marlboro and PM Superlights in the Miniprimary. Cigarettes were produced and the evaluation is in progress (EURONET).

TOBACCO PROCESS QUALITY PROGRAM (GIOTTO)

- September highlights were issued. Quality trends at each processing point were up-dated for the Munich and FTR facilities and were discussed with the respective personnel at both locations. Detailed discussions took place with personnel from the Manufacturing Services group to transfer the publication responsibilities.

RECONSTITUTED TOBACCO

- TLA is in progress on the sheet samples from BTM using feedstock with distinct SiO2 levels from 2.8 to 8.4 % (STELLA).
- Cigarettes containing RLTC-type sheet made at LTR were subjectively evaluated in Richmond and not accepted. Differences were detected in Marlboro containing the LTR sheet substituted for RLTC at full (6.6%) and half (3.3%) replacement. The process differences between Park 500 and LTR were established for a technical discussion with LTR scheduled for November (SCOTT).

2021564748

- A meeting was held in Lausanne with management of DELI-HTL to discuss their cast sheet process and product. It was decided that a follow-up visit will be made to their facility in Eindhoven.

PRIMARY INFORMATION (WHISLTER)

- The final draft of the Berlin up-date was established and will be sent to Berlin for review.

AFFILIATES

- On-site assistance was provided in Dresden to establish, together with VEZIFA staff, their primary up-grade program. Processing concepts and equipment flowcharts were developed. A meeting was held with Hauni to obtain an estimate for a pre-engineering study (SICKERT).
- Further qualification trials were run on the second P&S Burley dryer in Berlin following a visit by personnel from P&S England. Again these trials failed to produce the same tobacco temperature profile as found in the first dryer. Further action was suspended until a technical specialist from P&S USA can be scheduled for Berlin (SPITZWEG).

LICENSEES, OTHER REQUESTS

- Processed stems (HS-type) from the Krakow facility were received in Neuchâtel. Physical testing was conducted and TLA cigarettes were made. Analytical follow-up is in progress (BROWN).
- A fact finding visit was made to EITCO in Cairo with the purpose of assessing the feasibility of transporting tobacco filler from a potential centralized primary to other locations in Egypt (MOORE).

2021564749

BBS, SMALL LAMINA, STEMS, BLEND COMPONENTS, STUDIES

- A letter, drafted by our legal consultant (J.Bass), was sent to Hauni defining our position concerning the conditions set forth by Hauni in agreeing to grant PM a royalty-free license (ASAM).
- Process Development participated in the second Primary QA working group meeting held in Munich. Topics included modification and standardization of the Tobacco Processing Quality Program and implementation of Good Manufacturing Practices and Process Specifications in the affiliates.

MINIPRIMARY, LABORATORY

- A steam pressure reduction system was installed for the new HT tunnel in the Miniprimary (LORRAIN).
- Further controlled strand length cutting trials were carried out (HUNT).
- The lab automation program continued with testing of the filling power and sieve size systems (RENOIR).

VISITS, VISITORS, TRAINING SUPPORT, MEETINGS

- HB
- A visit was made to the Reemtsma facility in Langenhagen, Germany, to observe a vertical slicer manufactured by Schiff & Stern (Austria). During the demonstration, no problems were encountered slicing bright and LTR reconstituted tobaccos.
 - Training support was provided to R.Garcia-Ochoa, Manager Process Development and Pilot Plant, Tabacalera S.A. and to various groups of new personnel from FTR and R&D.

PERSONNEL, ORGANIZATIONAL

- M.Sauder, process engineer, started a training program in Richmond R&D, processing plants and recon. facilities.

2021564750

COMPUTER APPLICATIONS

VOA (Visual Quality Audit)

The monthly VQA reports of February through September have been produced and will be issued to HQ and affiliates at the beginning of next month.

Specifications Administration

Progress on the implementation of the Ingredient, Blend and Solution Specs on the host system has been slowed down mainly because of a temporary re-allocation of the development resource to other tasks. The transfer into production is re-scheduled for the end of November.

Project Cost Rebilling

Reports of total work time and overhead per project and per department have been produced for the period of 1990 and for the period up to the 40th week of 1991. The need has been expressed by the R&D management to modify this application towards a more effective management tool; several major changes are under review which may require a re-implementation of the system.

Smoking Laboratory System

The phase out of all obsolete HP peripherals is progressing rapidly. The next step, planned for February 1992, will cover the physical implementation of Smoke Lab database using CALS system and VAX technology platform.

2021564751

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2021564753

PURCHASING
LOGISTICS

LEAF

PURCHASING

FLUECURED

USA

As of October 31, 1991, the market had sold 881 mio lbs or 97.7% of the crop which the USDA now estimates will be 901.5 mio lbs net.

The Pool has received 5.6% of net sales or 49.3 mio lbs green weight.

All purchases are complete, 22.7 mio lbs green weight direct grades purchased at US\$ 181.23 per 100 lbs and 32.5 mio lbs green weight indirect grades purchased at US\$ 179.16 per 100 lbs.

ZIMBABWE

The auctions closed in mid-October with total sales reaching 170 mio kgs at an average of ZW\$ 1157.29 per kg.

The average price of ZW\$ 1157.29 per kg compares to ZW\$ 648.39 per kg paid for the 1990 crop, an increase of 78.5% in local currency terms, which at the same time more or less halved in value against the US\$.

We have bought 4263 tons Strips at an average price of US\$ 4.59 FCA Harare for FTR/USSR/PMM business and 1228 tons of BAF/BBF grades were purchased for PME at an average of US\$ 3.90 per kg. FCA Harare (excluding int.).

In US dollar terms grade for grade, these are the best purchases money for value made during the entire 1991 LPP cycle.

As a result of the extremely high prices paid to the farmers it is now estimated that the 1992 crop could be as big as 200 mio kgs.

2021564754

FRANCE

We have completed our purchases from this origin covering our LPP 1992 requirements at the same time meeting our commitment for German Fluecured in part of this purchase.

Total order for PME is 494 tons at an average price of US \$ 4.15, i.e 1% decrease on the previous crop's purchases. The 69 tons requirement for Diana Italy has also been fulfilled on top of the above order.

CHINA

In general the 1991 crop traditional styles are considered as average to below average, mainly due to the excessive rains which caused severe flooding during the Summer.

During our first buying trip 2125 tons Thins from the traditional crop were purchased at an average price of US\$ 2.64 per kg FOB, this quantity covers our LPP 1992 requirement.

As far as the 1190 tons of bodied grades are concerned, we have covered 706 tons of these at an average price of US\$ 3.67 per kg FOB and we expect to get a few more offers in the near future, but at the same time are prepared to stay open if necessary.

BURLEY

USA

The 1991 crop is now estimated to produce between 625-650 mio lbs net. Reports on quality are that there will be some areas, especially East Tennessee, which will have some good to standard tobaccos but at the same time in certain areas of Kentucky, reports give a much more mixed picture with some areas having stressed growth.

The opening date is set for November 25, 1991. On October 25, 1991 the USDA announced that the grade loan rates for the 1991 crop. The base support price is set at US\$ 1.584 per pound, up 2.6 cents from the 1990 crop.

2021564755

ORIENTAL

GREECE

On October 25, 1991 we concluded an agreement with Boselli Salto SrL to purchase, subject to inspection and verification of the stocks in Italy and Germany, a total of 27.3 mio kgs of Tsebelia tobacco. Price 0.675/kg US dollar cents.

These tobaccos are part of the EEC intervention stocks from crops 1987, 1988, and 1989 which Boselli Salto successfully tendered from the Brussels auction.

PME Leaf experts are in Italy currently doing the necessary inspections and it is intended to meet with Boselli on Monday November 11 (today) to conclude this deal.

AGREX STOCKS

During September 1991 Agrex put up for bid 87/88 crop stocks of Basma. Exelka and Universal were successful bidders from whom we have now purchased 1125 tons at US\$ 5.97.

TURKEY

We concluded price negotiations with our Turkish suppliers.

As was the intention, the Indicative Minimum Export price (MEP) set by the Turkish authorities was used as a base for negotiations but suppliers who had performed well in setting up their grades and manipulating their tobaccos to this standard were accordingly paid a higher price.

PME purchases for LPP 1991 were concluded having bought 3552 tons of Izmir AG at US\$ 6.41/kg, 2026 tons Izmir BG at US\$ 4.88/kg, 2388 tons Izmir KP at US\$ 3.05/kg, 313 tons Samsun AG at US\$ 6.92/kg and 215 tons Samsun BG at US\$ 5.72. For the LPP 91, we are still open for BG and KP with 168 tons, respectively 230 tons.

Viewing the 1991 crop which is much reduced and of inferior quality due to adverse weather conditions during the year, we have bought forward on quantity in top grades to partly cover our LPP 1992 and bought 1495 tons of Izmir AG at US\$ 6.38/kg and 42 tons of Samsun AG at US\$ 7.00/kg.

All tobaccos will be paid for in January 1992 and there will be no carrying.

2021564756

BULGARIA

We finalised the purchase of 100 tons Kromovgrad I/III at US\$ 5.80 kg FCA from the 1990 crop.

YUGOSLAVIA

We have finalised our purchase of 128 tons of Prelip I/III natural, at US\$ 6.37/kg FCA and 16 tons Prelip I/III artificial fermentation, at US \$ 5.99/kg FCA for this origin. These prices represent an increase of 8.1% over the 1989 crop.

GENERAL

PACKING TRIAL

With a view to the possible future need to meet the environmental regulations on re-use of, and recycling of packing materials, trial packs using two new cardboard cases developed in the USA are being carried out for our US Fluecured and Burley purchases.

DIBRELL BROTHERS

Dibrell Brothers announced the amicable settlement of legal proceedings involving its 1990 purchase of the Brazilian operations of R.J. Reynolds Tobacco Company.

Under the terms of the settlement, Dibrell will receive a partial refund of the \$ 50 mio advanced to Reynolds for the capital stock of its Brazilian subsidiary, plus a significant new 10 year tobacco supply contract.

In a separate agreement, Dibrell will transfer sole ownership of Dobra to Souza Cruz, in exchange for Souza Cruz's 70 % stake in Tabasa Tabaccos S.A. (Tabasa), a Brazilian leaf processor and exporter.

LTR

As a result of negotiations with LTR on volumes of sheet to be delivered, and prices set on a scale of production, we have received a credit note for FFr. 742,787.24.

2021564757

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